# AAP Journal
Assessors' Association of Pennsylvania

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ASSESSORS' ASSOCIATION OF PENNSYLVANIA

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CCAP COUNTY COMMISSIONERS ASSOCIATION OF PENNSYLVANIA
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## Changes in Real Estate Valuation Proposed in Harrisburg

*By Michael J. Acquaro-Mignogna, MAI*
2013 President of the Philadelphia Metropolitan Chapter of the Appraisal Institute

The independent unbiased appraisal stands as one of the most important benchmarks in valuing real estate. However, Senate Bill 869 - initiated by the Pennsylvania Association of Realtors and introduced in the state senate – would permit brokers and salespersons to expand their current roles as advocates for buyers and sellers by providing opinions of value for a myriad of important financial decisions regarding real estate, including eminent domain and tax assessment appeals.

### Current Law and Proposed Changes

Pennsylvania's Real Estate Licensing & Regulation Act (RELRA) currently allows real estate brokers and salespersons to perform Comparative Market Analyses (CMAs) only for the purpose of determining the asking/offering price or securing a listing. Further, the CMA must clearly state the "analysis was not performed in accordance with USPAP which requires valuers to act as unbiased, disinterested third parties with impartiality, objectivity and independence and without accommodation of personal interests."

Broker Price Opinions (BPOs) are not legally recognized in PA law. However, a BPO is equivalent to a CMA. Neither CMAs nor BPOs are authorized outside of the real estate brokerage context (i.e., to set a list price or get a listing).

In some applications, BPOs have become popular as quick, low-cost alternatives to an appraisal. To the untrained eye, a BPO may look very much like a real estate appraisal. However, there is a world of difference between the two products and the qualifications needed to produce them.

Real estate valuation requires extensive training and education. Under SB 869, a "newly minted" salesperson could begin offering CMA/BPO services on multi-million dollar strip malls, shopping centers, and office buildings on the first day that they hold a salesperson's license. On the other hand, Pennsylvania mandates that real estate appraisal professionals take hundreds of hours of education, accumulate thousands of hours of experience, and pass a rigorous comprehensive examination prior to certification.

### Implications to Counties and Assessing Authorities

If SB 869 becomes law, it will forever alter real estate valuation in Pennsylvania. All users of real estate valuation services deserve the assurance that the information that they are being provided is accurate and credible, and has been developed by a person that is competent, qualified and independent. SB 869 prohibits lenders from utilizing BPOs in any mortgage loan transaction. Why? Because these assurances cannot be guaranteed. Other users of valuation services who are making real estate-related decisions, such as counties and assessing authorities, deserve the same protections and assurance as lenders - that the information that they are being provided is accurate, reliable and unbiased.

Eminent domain proceedings and real estate tax appeals require valuations performed by professionals with specific valuation education, not price opinions performed by salespersons and brokers lacking this specialized education and potentially having a vested interest in the outcome of the proceedings.

## Ideas for You

### WRAP UP PROJECTS

When a project deadline is looming and the to-do list is still long, take a triage approach to the remaining items. *These actions will allow your team to finish on time:*

**Cut the Unnecessary.** Examine what has crept into the project that wasn't part of the initial plan. You no longer have time for the "nice to have" elements.

**Add Support.** Bring in additional team members.

**Quit Waiting** for new data or decisions. Go with what you know.

**Track Completion.** Keep a keen focus on what has been done and what still needs to be done. Color-code the remaining tasks by their level of importance, and move completed elements to a separate folder or location.

**Forget Perfection.** Focus on completing the work, not making everything the best it could possibly be. Identify elements that you can fix later.

*Adapted from "Project Management -15 Techniques When Time is Running Down," Mike Brown, Brainzooming,, http://brainzooming.com.*
*Communication Briefings, April 2012*

## What's Inside


President's Message, AAP Award Recipients, Important 2014 Dates, Legislative Update, AAP People

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# President's Message

It was about 7 p.m. and I wasn't feeling well. However, I decided that I should go for a run and sweat it out. I worked real hard and did get in a good workout. After my shower, I felt a little dizzy and the next thing you know, I'm waking up on the bathroom floor. Needless to say, this caused quite a commotion and my objections about going to the emergency room fell on deaf ears. I remember looking out the back of the ambulance watching my family with my wife quite adamantly explaining to the kids that their father was not the smartest guy in the world!

When we got to the emergency room, I found out that I was quite a celebrity! The county was in the midst of its first reassessment in 43 years. "You're that tax guy!" was heard a few times. Somehow, I didn't think my celebrity status was a good thing. They proceeded to do all sorts of tests, probably costing thousands of dollars. They should have just asked my wife what was wrong; I'm sure she would have said, "He was just too stupid to stop running." The questions kept coming - Has this happened before? Are you being abused? If I put a shed on my property, how much will my taxes go up? Anyway, things finally settled down. Just a few minutes before everyone was interested in what I had to say but now that I was cold and kept asking for an extra blanket, no one seemed to be listening.

The doctor decided to keep me overnight. Fine by me. Just get me another blanket and turn up the heat. He said he would send a nurse. Ah, peace and quiet!

The nurse was a very lovely young lady with all kinds of questions, mostly about property taxes. She said that she and her husband had just added a pool and received an additional notice and was concerned about taxes. I answered as politely as I could (after all it was now past my usual 10 p.m. bedtime) that I would need to see the notice and I would explain her options. She said she would get me a blanket and return. I got really excited when she said she would have the blanket heated!

I must have dozed off because the nurse was back and I remember that lovely voice asking if I was awake. When I replied "yes," she proceeded to tell me that her husband had brought the notice for me to look at and was asking for my opinion. I politely explained the notice and her options, however, I told her that unfortunately, I could not comment on the value and informed her that she would have to appeal if she felt it wasn't fair. She thanked me then left the room as if a code blue was called down the hall. I never did get my heated blanket and she might have turned down the heat on the way out.

I'm looking forward to seeing everyone at the Fall Conference. Stay warm.

***Tony***

Anthony Alu
AAP President (That Tax Guy!)



# 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*, we will be enjoying the relative coolness of fall weather. I hope this season is filled with events and memories that you will cherish during the ensuing winter months. Although the summer months are typically a quiet time on the legislative front, there are a number of assessment-related updates worth sharing. Please read on . . . .

During the first eight months of the 2013/2014 Session, more than 52 pertinent bills have been introduced. As we push toward the final months of the calendar year, a host of legislation is on the table.

Following is a summary of activity since the last Legislative Update as of May 31:

### Pamphlet Law Resolution No. 2 (Senate Bill 4)

This constitutional amendment allows the General Assembly to establish uniform standards and qualifications that determine if institutions qualify as purely public charities. The amendment was signed in the Senate on June 26, signed in the House on June 27 and filed in the Office of the Secretary of the Commonwealth on June 28.

### House Bills 1438/1439/1440 and Senate Bill 638

These amendments pertain to the proposed exemption of agricultural structures known as high tunnels. The three House bills passed 198-0 on June 19 and are currently in the Senate Agriculture and Rural Affairs Committee as of July 3, 2013. The Senate bill passed 49-0 on April 30 and is currently in the House Agriculture and Rural Affairs Committee as of June 28.

Proposed legislation pertaining to counties of the first class only:

### House Bill 390

This amendment would change 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 tax year 2024, the governing body may use financial need or age or both of the longtime owner-occupant to determine eligibility. This bill passed 197-1 in the House on June 10 and is currently in the Senate Appropriations Committee as of June 26.

### House Bill 391

This amendment would allow the governing body to authorize the collection of a tax enumerated in Section 201(a) through periodic installment payments and determine the frequency and eligibility for the payments. This bill passed the House 196-0 on May 15 and was in the Senate Appropriations Committee as of June 26.

## Follow CCAP on Twitter

CCAP's government relations team is on Twitter and tweets real-time legislative updates.

To create a free account visit *www.twitter.com*, enter your name, email address and create a password. Once you are registered, search @PACountiesGR in the search box at the top of the screen and then click "follow."

Numerous state legislators, media outlets, and others are also active on twitter and are available to follow. To learn more about following CCAP on Twitter, visit the CCAP website, *www.pacounties.org*.

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**Deadline for the Winter 2014 issue is December 6, 2013.**

Article submissions are welcome.
Please send to:
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### Coalition of Pennsylvania Real Estate Appraisers

In December 2012, a group of stakeholders (sales professionals, appraisers, and lenders) met to discuss the proposed legislation before it was formally introduced in the state Senate. Soon thereafter, the Coalition of Pennsylvania Real Estate Appraisers (CPREA) was formed by all five Pennsylvania Chapters of the Appraisal Institute and other interested appraisal professionals to be the Voice of Responsible Real Estate Valuation in Pennsylvania.

As a result of this meeting, and in the spirit of attempting to reach a compromise to which all stakeholders could agree, the CPREA developed a good-faith counterproposal that would allow for the limited expansion of the ability of brokers and associate brokers to provide CMA and BPO services outside of the traditional real estate brokerage context. Consistent with the stated intent of the proponents of this legislation, the CPREA proposed limiting the services that brokers and associated brokers could provide to residential distressed sales transactions. In addition, the CPREA proposed that brokers and associate brokers providing these services meet certain minimum educational requirements, adhere to standards and guidelines, demonstrate that they are covered by adequate insurance, and ensure that compensation practices are consistent with those required of real estate brokerages.

In a move that was contrary to the spirit of stakeholder compromise, the state's largest organization of real estate sales professionals completely dismissed the proposed changes, offered no counterproposal, and advanced this controversial legislation before the General Assembly. The bill was formally introduced in the Pennsylvania Senate on April 18, 2013 as SB 869.

In response, the CPREA mobilized quickly. An extensive grassroots lobbying campaign was undertaken, and the renowned and respected firm of Pugliese Associates was hired to assist in lobbying efforts. Within a few weeks, the CPREA representatives and constituent appraisers across the state met with many members of the Senate, the House of Representatives and various regulatory agencies, discussing the negative aspects and consequences of SB869 that had not been previously considered. As a result – and with negative reactions to SB869 from the Pennsylvania Real Estate Commission, the State Board of Certified Real Estate Appraisers (SBCREA) and the Department of State – the bill has been tabled in the Senate at least until the next legislative session begins. Lawmakers are now urging forthright stakeholder compromise on revisions to the bill before it moves forward, which is exactly what the CPREA attempted months ago and PAR rejected.

The CPREA will continue to work diligently to craft responsible compromise on this legislation, or to defeat it outright if compromise fails, but the campaign to do so will be costly. The CPREA is well on its way to raising the funds necessary, but our fund-raising goal remains unmet.

For more information, please visit *www.cprea.org*.




# AAP People & Chapter News

## Adams County

Congratulations to **David Appleby** who has been promoted to Property Evaluator II. Dave has been employed with Adams County since November 2011.

## Carbon County

**Kim Steigerwalt** is the proud grandmother of identical twin girls, Faith Lynn (3 pounds, 11 ounces) and Adaleine Marie (4 pounds, 1 ounce). They were born on August 28 and are doing well.

## Philadelphia County

There are currently 24 employees attending CPE classes with the intention of taking their CPE exams this year.

## York County

Congratulations to the county's newest CPEs, **Heather Stough** and **Michelle Duncker**.

Good luck to **Gary Layton**, Assessor/Crew Leader for York County, who retired on September 6. Gary plans to work on a "honey do" list from his daughter, work on his hunting camp in Snow Shoe and hunt and fish If he gets bored, he may get a part-time job. Gary -- we hope you enjoy your retirement!

## South Central Chapter

Congratulations to **Michele Sowers,** Fulton County, **Jonathan "Jay" King**, York County and **John Constable**, Adams County, who received their AAP Trailblazer Awards at the September South Central Chapter meeting.

The South Central Chapter meets quarterly in March, June, September and December, beginning with the business meetings at 9 a.m., with seminars immediately after the meeting (approximately 9:30 a.m.) and are held at the Adams County Agricultural and Natural Resources Center in Gettysburg. Please contact Barb Walter at (717) 337-9837 for more information.

## South East Chapter

The South East Chapter holds quarterly education meetings at the Indian Valley Country Club. The next meeting will be:

**December 11** - Hotel/Motel Valuation for Assessment Purposes taught by Richard Drzewiecki

For more information, please contact Mark Jackowski at (215) 348-6219 or *keyjazz5@hotmail.com.*

## 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 December 6.

Please send your news to Terry Cochran at *tcochran@pacounties.org*.


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# Angelia S. Tennies

## Chief Assessor

## *McKean County*

**Year in Assessment Field:** 21

**Marital Status and Family:** Married eight years to Jay Tennies and we have three sons, Daniel Tennies, Clay Pinner and Joshua Tennies, and one daughter, Elizabeth Tennies (deceased).

**What Irritates Me Most in the Assessment Business:** That the Assessment Office is perceived by the public as the enemy!

**Most People Would Be Surprised To Know:** That I am a veteran of a foreign war. I served in the first Gulf War (Desert Shield and Desert Storm).

**Biggest Challenge as an Assessor:** Keeping up with all the changes and programs that we seem to face from the legislature.

**First Job:** I worked as a cashier at the local grocery store while attending college.

**If I Couldn't be an Assessor, I'd be:** Don't really know - I guess unemployed like the rest of the world.

**If I Won Millions in the Lottery, I Would:** Build a new home, pay off the Parent Plus Loans I took out for my kids' college, and help out my family and close friends.

**Favorite Food and Drink:** Surf and Turf and Pepsi

**Favorite Vacation:** Trip to Hawaii

**Favorite Movie:** Anything on the Hallmark channel; I am a sucker for romance movies - just ask my family.

**Three People Living or Dead that I Would Invite to Dinner:** My grandmother (deceased), my husband's mother (deceased) and Phil and Kay Robertson (Duck Dynasty)

**The Hardest Lesson I Ever Learned as an Assessor was the Time:** No real lesson but the hardest thing is dealing with the elderly people who own their home and can't afford to pay for it.

**If I Could Live in the Past for One Day, I Would** change the day that our 18 year old daughter was diagnosed with cancer.

**My Best Friend:** Cindy Gardner

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# MEMBERABILIA

# AAP Annual Awards

At the AAP's Annual Conference in April at the Seven Springs Mountain Resort, several awards were given out in addition to our service awards that were listed in the last issue of the *AAP Journal*. Congratulations to all of the awards recipients!

★ **Robert A. Hanisits Memorial Award** - John Nolan, CPE, Wayne County

*The award, named after Robert Hanisits, the 40th president of the AAP, is given to recognize an individual's achievements in enhancing education in the assessment field.*

★ **Carl W. Naessig Award** - Thomas Hill, CPE, Monroe County

*This award, named after Carl W. Naessig, second president of the AAP, recognizes meritorious service to the assessment profession and the AAP.*

★ **Michael M. Chudy Award** - Jonathan Schuck, CPE, Chester County

*The award, established in honor of Michael M. Chudy, the first AAP President, is given for the best assessment article in the AAP Journal.*

★ **Garrity Award** - Al Bressi, CPE, Northumberland County, North Central Chapter

*Named after past president, Thomas P. Garrity, the recipient receives a one-year paid membership in the International Association of Assessing Officers (IAAO). The recipient is selected by a local chapter on a rotating basis.*

★ **Special Appreciation Award** - Steve Howe, CPE, Dauphin County

★ **President's Special Appreciation Award** - Paulette Sebring, CPE, Monroe County


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## 2014 Important Dates

### 2014 CPE Classes

**Fall Classes**
*CCAP North Office, Harrisburg*

Intro – March 10 to 14
Site/Market – March 18 to 21
Cost – March 24 to 28
Income – April 8 to 11

**Spring Classes**
*Ramada Inn, State College*

Intro – September 8 to 12
Site/Market – September 16 to 19
Cost – September 22 to 26
Income – September 30 to October 3

### Conferences

**Annual Conference**
May 7 to 9
Seven Springs Mountain Resort

**Fall Conference**
November 6 and 7
Eden Resort, Lancaster

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