AAP Journal
Assessors' Association of Pennsylvania

AAP Assessors' Association of Pennsylvania
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CCAP County Commissioners Association of Pennsylvania Serving Counties Since 1886

An affiliate of the County Commissioners Association of Pennsylvania

The Lingering Effects of the "Great Recession"

Michelle Czekalski Bradley
AQB Certified USPAP Instructor, Real Estate Appraiser and Educator

Several years ago, at the beginning of the nationwide real estate market meltdown, I wrote a class titled Foreclosure and Fraud and the Effect on Neighborhoods. During this time, newspaper editorial writers and political commentators were all talking about "those" people who lost their homes in foreclosure and how unfortunate it was for "them", and the prevailing attitude was that they were the only ones affected. Concerned about the macro view, I began studying the bigger picture of how entire neighborhoods and markets were being affected. Over the past several years, our nation has endured this crisis that devastated our economy and culminated in a near-record unemployment rate. The problem eventually came to feed upon itself, as more families began losing their homes, not just because they took loans they couldn't afford, but because employers scaled back and workers began losing their jobs. As property values dropped precipitously, and foreclosed homes sat vacant for months, eventually the nation started to realize that the foreclosure crisis wasn't about "those" people, it is about all of us. Since this time, Americans have been asking "When will this nightmare be over? When are we going to recover?"

The news media is now reporting that the economy is improving, unemployment has decreased, the number of new foreclosure filings has dropped, and foreclosure inventories have been reduced. One might believe we are already out of the woods. What have we lost over the past few years? We watched the big banks lie and cheat and steal, and eventually end up wounding – but not killing – the American dream of homeownership. And all of us are now paying for the sins of the big banks. As an example, look at the Robo-Signing scandal. Corporate executives at large national banks were fraudulently recreating paperwork and falsifying signatures in foreclosure actions. That scandal resulted in over $25 billion in fines to those banks, in the largest settlement negotiated since the tobacco settlement in the 1990s. *(More info can be found at www.nationalmortgagesettlement.com.)* Will these fines be passed along to consumers in the form of higher fees and interest rates? Hmmm, I wonder. Now we are watching these same big banks negotiate settlements of billions of additional dollars for misleading investors on the safety ratings of the mortgages they sold in the early 2000s, and for knowingly selling bad loans to Fannie Mae and Freddie Mac. So far, the largest settlement amount is against JP Morgan Chase at $13 billion which includes $4 billion to be earmarked directly for homeowners' relief. Interestingly enough, according to *cnn.com*, approximately $11 billion of the $13 billion settlement is actually tax deductible for JP Morgan Chase. Who is counting this money, and more importantly, have you seen any homeowners actually benefit?

As the government and big banks continue to throw around sums in the billions of dollars in their own high-stakes game of Monopoly, where does that leave us, the individuals and families that make up the fabric of our communities? The Great Depression of the 1930s affected our nation for decades, and some of its remnants even exist today (for example, the FHA mortgage insurance program was created during the depths of the Depression). As a result of the recent real estate meltdown which resulted in the so-called "Great Recession", we are experiencing a societal shift that will likely last for generations to come. Tens of thousands of people have been displaced, either by losing their home or losing their job. Tens of thousands more have simply given up looking for work and dropped out of the work force,

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Ideas for You

SET EMPLOYEES' PRIORITIES STRAIGHT

Some employees refuse to put their jobs first—even at work. Job duties take a backseat to personal obligations, and that is often a huge drain on other employees' time and patience. As slacking employees spend their time taking care of personal matters or interests—rather than completing their work correctly and on time—their coworkers pick up the slack.

Strategy: Don't let them get away with it. Pull those employees into your office to discuss the problem. Provide evidence of the issues, and communicate your expectations.

Say: "You left early for a dentist appointment and failed to finish the inventory. Daniel and Cory had to finish it for you. That is unacceptable. You need to fulfill your work responsibilities before you take personal time. In the future, unless it's an emergency, I expect to you finish your work and meet your deadlines before you leave this office to tend to personal obligations."

Then monitor them closely and step in as soon as problems surface again.

From the editors, Communications Briefings, January 2014.

What's Inside

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President's Message

As assessors we must always be concerned with different types of value. There is market value, base value, capital value, economic value and improved value. Just look in the IAAO publication, Glossary for Property Appraisal and Assessment, and you have three pages of different types of values. The value that I want to talk about isn't listed but I believe it's every bit as important as any value. The value I'm speaking of is your value within your team. Team value is the value that an employee contributes by being a professional and competent part of a team. Think about all the important qualifications that you would desire in an ideal employee. How many do you possess? What is your strong point, where can you improve, and how can you improve? Do you have the ability and desire to share your knowledge with your associates? When you establish your team value, you are actually taking the first step in developing your roadmap to whatever goal you desire to achieve during your career in tax assessment.

Every day we should strive to learn something new, to become a more valuable part of our team. This goal will serve you not only in your chosen profession but will also open doors to your next level of professional challenge. Are you content with your present level of employment or do you strive to attain a higher level within your work unit? If you have aspirations to advance, how do you plan to go about it? Not everyone is cut out to be a chief assessor or evaluator. Every job is unique with its challenges and rewards and, as we journey through our jobs, we shouldn't rely on luck to get us where we aspire to be.

I often say that I don't really have a job, but I do have a career! When you have a job, the time clock is very important to you. When you have a career, it really doesn't seem to matter. Oh, you do have to clock in and out, but you never really leave the job and it really never leaves you. You find yourself thinking of work in the oddest of places: the supermarket, church, watching television. A lot of people can just turn it off; I'm not one of them! I'm constantly planning, learning, evaluating, coaching and doing everything else associated with being a chief assessor and I love it!

So, how about it? What's your career objective? Do you have what it takes? Value is important in our business. Don't neglect your value as part of a team. Be the best you can be! Make a statement about yourself. Let your reputation speak of the quality employee that you strive to be. Network - make friends through the AAP that will last your entire career. Use the AAP as a valuable tool to help you reach your professional objectives, whatever they may be. Remember competence will get you in the door but reputation and relationships will get you to the next level. Don't count on luck! Stop and think about your future and develop your roadmap of skills and relationships to attain your goals whatever they may be.

Tony

Anthony Alu
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, we will have celebrated the Thanksgiving holiday and be close to embarking upon a new year – a year likely to be filled with many new challenges and many new learning opportunities. The 2013-2014 Session is nearly half over and our elected officials and their staffs have not been idle. Since January, nearly 3,000 bills and 825 resolutions have been introduced. Of course, not all this activity is assessment related. However, 32 House bills, 23 Senate bills and 1 House resolution directly relate to our profession.

Since the prior Legislative Update as of September 10, the majority of legislative activity pertains to property tax relief and collection in counties of the first class and the city of Philadelphia in particular. Following are highlights for those who dare to go "…where angels fear to tread." Have a delightful holiday season!

House Bill 388

An amendment to the Municipal Claim and Tax Lien Law of May 16, 1923, providing authorization to impose tax liens on any property throughout the Commonwealth and on the funds in certain bank accounts. Passed 196-0 in the House on May 15, passed 50-0 in the Senate on November 20 and presented to the governor on November 22, 2013.

House Bill 390

An amendment to the First and Second Class Property Tax Relief Act of December 13, 1988, providing for conditions of deferral or exemption. The amendment applies only to counties of the first class 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. Passed 197-1 in the House on June 10, passed 48-2 in the Senate on October 19 and presented to the governor on November 21, 2013.

House Bill 391

An amendment to the General County Assessment Law of May 22, 1933. The amendment would allow the governing body of a county of the first class 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. Passed 196-0 in the House on May 15, passed 50-0 in the Senate on November 20 and currently in the House Rules Committee as of November 21, 2013.

House Bill 408

An amendment to the Assessors Certification Act of April 16, 1992, that would make the Act applicable to counties of the first class. Assessors employed by a county of the first class would have three years to become certified under the act. Passed 201-0 in the House on November 18, 2013.

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Article submissions are welcome.
Please send to:
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which means that many of them will end up receiving some form of government assistance to get by. Where are these families going and how will the long-term health of our communities be affected? Will the people who dropped out of the workforce ever re-enter? Over the last twenty to thirty years, Pennsylvania and other "rust-belt" states have been watching our young people migrate elsewhere to find jobs and opportunities. In an interesting twist, many young families in the northeast are now purchasing retirement homes in the south and west because they can buy them today for pennies on the dollar; these are homes they don't plan to use for many years to come.

So as the news media reports that foreclosure filings are down and unemployment rates have ticked lower, we hear that the economy is better. The people ask "Is the crisis over?", because they want to believe that it is, so they can turn their attention to other things. As valuation professionals, though, it isn't over for us. We still have questions that we need to answer. Are the changes to our financial system going to be permanent? How about the demographic changes? How will the increase in investor-owned properties affect property values in local neighborhoods? Like the Great Depression created an entire generation of people who were mistrustful of banks, did the Great Recession spawn a generation with an aversion to homeownership? There are no easy answers. Valuation professionals will surely be analyzing the mess left behind for decades to come.

Join IAAO!

We know you must respond to the public demands of your jurisdiction for fair work backed by knowledge, integrity and professionalism. The industry is changing rapidly and you need every resource available to you.

How would you like the clout of 80 years of experience backing every vital decision you make? How about an instant directory of over 7,000 assessing, mapping and other professionals who face the same issues as you every day in your job? And, a source for education especially tailored to your professional development needs?

Then you need to be a part of the internationally recognized leader and preeminent source for innovation, education, and research in property appraisal, assessment administration and property tax policy.

Founded in 1934, the IAAO is a nonprofit, educational and research association. It is a professional membership organization of government assessment officials and others interested in the administration of the property tax.

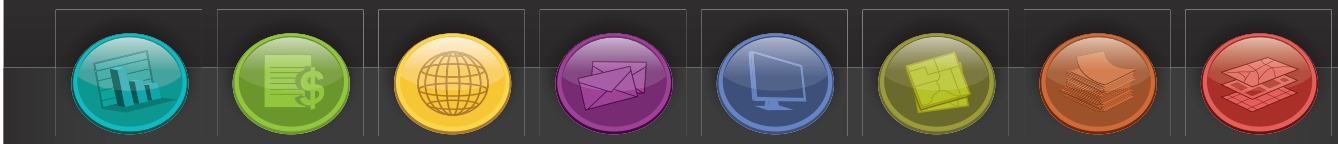
We are proud to announce the addition of the Pennsylvania Chapter of the IAAO. The representatives for Pennsylvania are Charles "JR" Hardester, chief assessor of Lawrence County and Joan Righter Price, solicitor to the Montgomery Board of Assessment Appeals.

Anyone interested in becoming a **NEW** member of the IAAO can receive half off their first year of membership by contacting one of our chapter representatives. Annual membership dues are $175 which includes a subscription to the "Journal of Property Tax Assessment & Administration."

Applications for membership will also be available at the IAAO booth during the Annual and Fall Conferences of the AAP.

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AAP People & Chapter News

Laurel Mountain Chapter

Congratulations to **Kevin McKercher,** Fayette County, who retired this fall**.**

Northeast Chapter

2014 Officers

President - **Barbara Mehltretter**, Monroe County
Vice President - **Darrell Lutz**, Monroe County
Secretary/Treasurer - **Kelley Cosner**, Wyoming County
Education Chair - **Cindy Treible**, Monroe County

2014 Chapter Meetings

March 21 - Luzerne County
June 20 - Wyoming County
September 26 - Lackawanna County
December 5 - Schuylkill County

South Central Chapter

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.

Adams County

Welcome to **Roberto Rivera** who was recently hired as a Field Evaluator.

Congratulations to **Barb Walter**, chief assessor, on the birth of a grandson, Bentley Alexander Keller; Bentley is Barb's first grandson and third grandchild!

Luzerne County

Luzerne County is pleased to announce its newest CPEs - **Angela Scocozzo** and **Emily Monelli**. Congratulations!

Philadelphia County

The county is pleased to have the following new CPEs - **Raymond Bucceroni**, **August Colavecchi**, **Edward DiGirolamo**, **Theresa Ginter**, **Ken Madden**, **Michael McFarlane**, **Scott Meyer**, **George Morgan**, **Lisa Yaffe Sprafkin**, **Annette Thornton**, **Denise Wadsworth** and **Bruce Witt**. Congratulations!

STEB/TEB News

Congratulations to **Wayne Santini**, Real Estate Valuation Analyst, with the Tax Equalization Board/DCED, who retired October, 2013 after 16 ½ years of employment. Wayne worked in a number of counties, including Westmoreland, Somerset, Fulton, Indiana and Bedford counties and in more recent years, he also performed the audits for Adams and Cumberland counties. For the 20 years previous to his employment with STEB, Wayne worked in the Fayette County Assessment Office.
Wayne looks forward to traveling and hitting the casinos with his wife and enjoying life. We wish Wayne good luck and hope he enjoys his retirement!

Welcome to **Alan J. Randzin**, Field Representative for the Tax Equalization Board/DCED, Alan will be working in the South East and Central part of the

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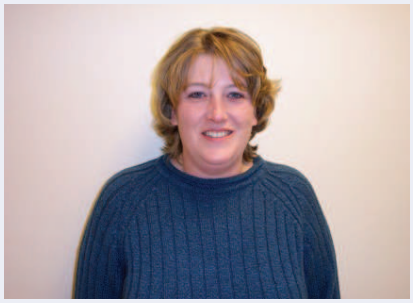
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Michelle Sowers

Chief Assessor

Fulton County

Year in Assessment Field: 25

Marital Status and Family: Married to Larry with one son, Colby

What Irritates Me Most in the Assessment Business: Mobile homes

Most People Would Be Surprised To Know: I was born in Texas

Biggest Challenge as an Assessor: Filling Mary Lou Rudolph's shoes after her retirement

First Job: Waitress

If I Couldn't be an Assessor, I'd be: A bartender on a tropical beach.

If I Won Millions in the Lottery, I Would: Open a dog/cat rescue, pay off my son's college loans and take care of my family.

Favorite Food and Drink: Pizza and Diet Green Tea

Favorite Vacation: Tilghman Island

Favorite Movie: City of Angels

Three People Living or Dead that I Would Invite to Dinner: My father-in-law, my grandparents and my cousin (they are all deceased)

The Hardest Lesson I Ever Learned as an Assessor was the Time: Our commercial appraisal came in lower than the appellant's appraisal

If I Could Live in the Past for One Day, I Would Change nothing…I believe I am exactly where I am meant to be.

My Best Friend: Lisa Skiles

AAP
ASSESSORS' ASSOCIATION OF PENNSYLVANIA

MEMBERABILIA

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state serving Adams Berks, Bucks, Chester, Dauphin, Delaware, Philadelphia, Lancaster, Lebanon, Lehigh, Northhampton and York counties.

Welcome to **Patrick Geho**, Field Representative for the Tax Equalization Board/ DCED; he will be serving Allegheny, Bedford, Fayette, Fulton, Greene, Mercer, Somerset, Washington and Westmoreland counties.

Send Us Your Chapter & 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*.

Job Opportunity Mercer County

The County of Mercer is currently seeking a Director for the Tax Assessment Department. The Tax Assessment Director is responsible for managing, controlling and planning all facets of the appraisal and assessment process for the County of Mercer. Responsibilities also include managing a staff of 5-10 employees.

Those interested in applying should send a cover letter and resume to:

Mercer County
Human Resources Dept.
17 Courthouse
Mercer, PA 16137

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Clean and Green Update

The Pennsylvania Department of Environmental Protection (DEP) has agreed to make a change to their production reports that should offer a small measure of assistance to county assessors in addressing rollback taxes for oil and gas wells and appurtenant structures.

In 2010, Act 88 was signed into law, which allows property enrolled in Clean and Green to be used for oil and gas exploration and removal, with rollback taxes due only on that portion of the property used for exploration and removal rather than the entire tract of land. Further amendments under Act 35 of 2011 set determination of well site coverage purely as area unavailable for agricultural, timber or reserve use, and the rollback trigger at the time a well production report is first due to DEP.

The Clean and Green Law requires DEP to provide the county assessor with a copy of the production report within 10 days of its submission. Production reports are due to DEP by February 15 or August 15, depending on when the well is put into production. DEP makes this information available to the public on its website and has taken the position that this meets the requirement to make this information available to county assessors. However, the production reports do not currently allow county assessors to quickly and easily determine which wells had come online in the previous six-month period, as they include information on all wells in production during that time. After several conversations with DEP, CCAP has recently learned that the Department has agreed to add a field to the production reports to show the spud date of each well. This change is expected to be in place in time for the February production reports, and should assist county assessors in more readily identifying those wells which are newly spud in each production report.

The production reports are available on DEP's website at *www.paoilandgasreporting.state.pa.us/publicreports/Modules/Welcome/Welcome.aspx.*

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