AAP Journal
Assessors' Association of Pennsylvania

AAP
ASSESSORS' ASSOCIATION OF PENNSYLVANIA

Summer 2014
Issue 3 Volume 11

CCAP COUNTY COMMISSIONERS ASSOCIATION OF PENNSYLVANIA
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AAP Solicitor's Column

Joan Righter Price, AAP Solicitor

On April 30, 2014, I presented testimony on behalf of AAP to the House Local Government Committee regarding House Bill 161. I was joined by then-incoming AAP President, Charles 'JR' Hardester, and Lisa Schaefer, Director of Government Relations for the County Commissioners Association of Pennsylvania (CCAP). This legislation followed the resolution of litigation in Adams County regarding the method of valuation of mobile homes and manufactured homes during their recent countywide reassessment. On January 17, 2013, HB 161 was introduced by Representative Dan Moul (R-Adams (part) and Franklin (part)) and was referred to the House Local Government Committee. Since this legislation was introduced, AAP and CCAP have been involved in discussions regarding the bill and what we see as significant problems with it in its current form. At least one amendment is currently pending and we were asked by Representative Katherine Harper (R-Montgomery), Chair of the House Local Government Committee, to continue to work with the prime sponsor and committee staff to come up with a satisfactory bill.

Testimony

"I want to thank Chairman Harper and the members of the House Local Government Committee for giving me the opportunity to present testimony regarding House Bill 161 on behalf of the Assessors' Association of Pennsylvania (AAP). By way of background, AAP was formed many years ago to promote professionalism and education among county assessors. Today, AAP is the primary source of training for new assessors as they seek certification as a Certified Pennsylvania Evaluator (CPE) as required by the Assessors' Certification Act[1]. AAP also provides continuing professional education for all CPE's and works closely with the County Commissioners Association to provide technical assistance as needed.

Pennsylvania's Constitution contains a uniformity clause[2] that our Courts have interpreted as requiring all property be treated as one class for purposes of assessment and taxation. The only exceptions to this requirement are certain classes of property carved out in the Constitution itself for special treatment such as agricultural and open space properties and those meeting the constitutional requirements for exemption.[3] If a property is not listed as entitled to differential treatment, it is part of one class of property defined as real estate in Pennsylvania. Mobile homes and manufactured homes fall within that class as they are defined as real estate subject to assessment and taxation in the Consolidated County Assessment Law. More specifically, Section 8821 of the law provides:

(a) **Duty.**--It shall be the duty of the county assessment office to assess all mobile homes and house trailers within the county according to the actual value thereof…

House Bill 161 would amend this section to require assessors to consider the "value placed on the mobile home or house trailer in a national directory or valuation guide…." Typically, this national directory or valuation guide is the National Automobile Dealers Association (NADA) Guide, although there are others. For the reasons set forth below, AAP opposes HB 161.

[1]1992, P.L. 155, No. 28

[2]PA Constitution Article 8 Section 1.

[3]PA Constitution Article 8 Section 2.

continued on page 4

Ideas for You

COACH STAFF TO RESOLVE CONFLICTS

Conflict resolution is often considered a hierarchical function, especially in larger organizations. Employees, and sometimes whole teams, learn to rely on managers or supervisors to resolve internal conflicts instead of finding their own solutions.

The next time you build a training or team-building exercise, focus it on coaching employees to tackle conflict resolution themselves.

Small-business blogger Daniela Baker suggests working directly with employees or teams to develop resolution strategies and then role-playing various conflicts with them to troubleshoot and refine the algorithm.

"While it may be necessary for you … to mediate these sessions at first, the goal is to develop the ability of team members to resolve conflicts among themselves," says Baker.

Giving employees a chance to build the process themselves encourages behavior that relies less on your influence and more on a shared desire to handle issues as a team.

— Adapted from "7 Ways to Encourage Teamwork in Your Small Business," Daniela Baker, Talking Small Biz blog, www.talkingsmallbiz.com.

What's Inside

President's Message, AAP Award Recipients, Legislative Update, AAP People

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President's Message

First, I would like to say "thank you" to Tony Alu for doing an outstanding job as President. I know he left some very big shoes to fill. I would also like to thank all of you for the opportunity to serve as the AAP President for the next year. Lastly, I have to thank all the past presidents, board members, CCAP, AAP Staff and the other affiliates for keeping this great organization together for all these years. Without your dedication and support, many of us may not be sitting here today.

As we look forward to the year to come, the AAP Board, as well as the rest of our association, will have challenging issues ahead of them. Many of us are aware of the ongoing issues with STEB and the STEBtrac software. The AAP will continue to work together with STEB and DCED on the common level ratio as well as sales verification. Then you have SB 76 which is again attempting tax reform for school property taxes and finally, we continue to have the ongoing struggles with Act 156 Clean and Green.

As I mentioned at the conference, I believe everyone should serve at least one term on the Board of Governors to see what goes on behind the scenes of this organization. With all that is going on in the state, I believe now is the time for our association to start flexing its muscle. We have some of the most intelligent and brightest minds in the state and it is our time to shine. However, you cannot shine if you do not get involved.

One of the primary goals of the AAP is to educate its members. It is very important that we keep members up to date with the changes in the laws that affect us every day. It is also important that we keep educating our members with new topics and speakers. This is why your involvement in the AAP is so important. Many of you may have ideas for new topics and speakers so please contact your chapter's education chair so they can bring it to the attention of the AAP Education committee. The conference planning committee will meet in July to plan our Fall Conference in Lancaster. If there is a topic you would like to hear please bring it to the attention of our Conference Planning Chair Angie Tennies or a member of the AAP Board.

I hope everyone has a wonderful summer and I look forward to seeing all of you at our Fall Conference at the Eden Resort in Lancaster.

Sincerely,

JR

Charles "JR" Hardester, MS, CPE
AAP President



Legislative Update

By Jonathan B. Schuck, Chair
Government Information Committee and
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, it will be well into the summer season. Based on the amount of snowfall this winter and rainfall this spring, the plants, trees and grass should be both green and lush. In contrast, assessment-related legislative activity in Harrisburg has been sparse. The 2013/2014 Session wraps up in just over six months and it appears there will be a meager harvest – perhaps a largely favorable outcome given the current crop of stalled legislation.

Over the past seventeen months of the 2013/2014 Session, more than 4,937 pieces of legislation have been introduced, 65 of which are assessment-related bills/resolutions. However, since the last Legislative Update, only one important bill has been introduced with any substantial action at the committee level. In the foreseeable future, the focus in Harrisburg will be on the 2015 budget. Therefore, this Legislative Update is short and sweet. Enjoy the summer and early fall seasons!

House Bill 2131

This amendment to Title 53 would change the language of what buildings can be assessed and valued. It removes language stating that the building must be permanently attached to the ground or connected with water, gas, electric or sewage facilities. This would nullify the effect of Judge Leadbetter's decision on the valuation of sheds (Pederson v Monroe County Board of Assessment Appeals).

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The *AAP Journal* is published four times a year.
Deadline for the Fall 2014 issue is September 5, 2014

Article submissions are welcome.
Please send to:
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The Assessors' Certification Act requires assessors to uniformly assess all real estate considering three approaches to value: cost, market, and income.[4] These methods were explained in more detail by Charles 'JR' Hardester, Chief Assessor, Lawrence County.

Assessors have a statutory and ethical obligation to assess all real estate using their best professional judgment. AAP is troubled by HB 161 in that it would essentially require assessors to value all mobile homes at their cost value without regard for the most critical real estate factor: location. It is axiomatic in real estate valuation that the most important factors in determining value are "location, location, location." Currently, HB 161 does not give assessors the option to adequately consider this factor. Although the NADA Guide provides for a locational adjustment, this adjustment is not a true real estate adjustment that would typically look at the neighborhood in which a property is located. The NADA Guide's locational adjustment is more on the line of an adjustment for a particular region (such as "Southeast Pennsylvania" versus "North Central Pennsylvania") or an adjustment based on postal zip code, depending on which version is used.

It is important to distinguish that the NADA Guide and similar directories reflect mobile home value estimates as vehicles, not real estate. Indeed, the NADA Manufactured Housing Cost Guide states that the best measure of the value of a manufactured home as real estate is "the time honored real estate practice of a physical appraisal."[5] The NADA Guide also stresses the fact that typical improvements that are added to a mobile home when it is affixed to the land such as decks and patios as well as set-up costs are not included in the book value. The NADA Guide can be useful in determining the value of a particular unit as a starting point but it cannot be controlling nor even prima facie proof of value because it cannot include other items that are part of the real estate. Amendment A05852 addresses some of these concerns but it is critical that the assessor's judgment and statutory obligation to value all real estate not be replaced by reliance upon a national directory or valuation guide.

Another major concern with HB 161 is that it would shift the burden of proof in assessment appeals to the assessment office. We must stress that HB 161 creates a rebuttable presumption that the NADA Guide's value or the value in a similar national directory is correct. In addition, this shift in the burden of proof is unlike anything else in the assessment law. There is no other assessment law provision in Pennsylvania that shifts the burden of proof to the assessment office beyond the burden to present the assessment into evidence.

Pursuant to Pennsylvania law, an assessor must treat all real estate as one class using available methodologies in an appropriate manner to arrive at a fair assessed value. We may not selectively apply different valuation methodologies to different types of properties to achieve a particular result because this would result in what is commonly referred to as "spot assessment." However, that is exactly what HB 161 would require assessors to do when valuing mobile homes for taxation purposes.

Furthermore, HB 161 could be interpreted as requiring assessors to value mobile homes without regard for the base year of assessment within the county. According to the assessment law, counties may assess all property using a base year or current market value. Most counties are on a base year system. Whichever option a county chooses, all property must be assessed at values for the same point in time and using the same methodologies. HB 161 could be interpreted as requiring assessors to value mobile homes at their current book value as opposed to their value in the base year. This would create a uniformity issue in each county in that mobile homes would be assessed at current value while other real estate is assessed at base year value. By creating a different class of properties entitled to special treatment it is our opinion that HB 161 violates the uniformity clause of the Pennsylvania Constitution.

Amendment A05852 addresses some of AAP's uniformity concerns in that it would limit the requirement to consider the national directory value to county-wide reassessments and in the context of an assessment appeal. However, this amendment raises other concerns because it restricts counties to using only the "noncomputerized version" of a national directory or valuation guide. One of the differences between the computerized version and non-computerized version of the NADA Guide is the ability to make adjustments. Restricting all counties to using the "noncomputerized version" of a national directory or valuation guide is unduly restrictive of counties that have the technological ability to use the computerized version of the guides.

The amendment appears to address many of AAP's concerns with HB 161 in that it allows assessors and appeals boards to consider comparable sales to the extent that sales are available and it allows us to consider improvements such as decks, patios and set-up costs. However, AAP believes that another factor that needs to be considered is location for the reasons set forth above. The amendment does not sufficiently address this issue. Our Association stands ready to work with the committee and CCAP to address concerns with the assessment of mobile homes and manufactured homes."

Joan Righter Price is the AAP Solicitor and the Solicitor to the Montgomery County Board of Assessment. She also serves as the chair of the AAP Assessment Law Committee, the co chair of the AAP's Legislative Task Force and one of AAP's chapter representatives to the IAAO .

[4]53 Pa.C.S.§8811.

[5]NADA Manufactureed Housing Cost Guide, National Edition, September 2010, p.4A.

AAP People & Chapter News

Northeast Chapter

2014 Chapter Meetings

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

Congratulations to **Belinda Little** and her husband Doug on the birth of their first grandchild, Lillian Marie Kressley, born April 19, 2014, 7 pounds, 12 ounces and 18 ½ inches long. Congratulations to the new grandparents!

Franklin County

Good luck to **Dennis O'Toole**, Director of Tax Services, who retired from Franklin County after 14 years. Dennis is active in his local Lions Club, plans to travel and may work part-time. We hope he enjoys retirement!

Lancaster County

Congratulations to Lancaster County's newest CPE, **John Tierney**.

Lebanon County

Good luck to **Evelyn Shaak** who is retiring from the Lebanon County Assessment Office on August 1st after 22 years of employment. Evelyn, a former assessor, has worked in more recent years as the right-hand person to Chief Assessor Dan Seaman, who says she will be missed by all. Good luck, Evelyn! Hope you enjoy your retirement!!!

Mercer County

We are pleased to announce that **Cathy Herriott** is Mercer County's new Director of Tax Assessment. Congratulations, Cathy!

Monroe County

Congratulations to Monroe County's new chief assessor, **Cindy Treible**! Congratulations, Cindy, on a well-deserved promotion!

York County

Good luck to **Karen Kuntz**, an assessor/crew leader, who retired on April 11 after 20 years and is moving to South Carolina to join her brother and help take care of her mother. Karen, we hope you enjoy retirement and spending time with your family.

Welcome to **Rachael Perring**, York County's new Director of Assessment and Tax Claim. Rachael comes to the county with a managerial background and a background in real estate. Good luck, Rachael, in your new position.

Former York County Assessment Office employee **Kenneth Staab** passed away February 18, 2014. Ken was a York

Continued on Page 7

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Rachel P. Perry

Director of Assessment and Tax Claim

York County

Name: Rachael P. Perring

Position: Director of Assessment and Tax Claim

Year in assessment field: Two months

County: York

Marital status and family: Married with two children (13 year old boy and an 11 year old girl). Most of my family still lives in the UK but my sister now lives in the U.S., not far from me.

What irritates me most in the assessment business: I'll have to get back to you…. After only eight weeks I am not really 'irritated' by anything (I have things I think could benefit from a review, but no irritations).

Most people would be surprised to know: I was a Volunteer Police Officer in the UK through my 20's. I had the same powers as a regular Police Officer when on duty and would 'pound the streets' most Friday and Saturday nights. I had a few close calls but with the aid of my colleagues and my training, I came out unscathed.

Biggest challenge as an assessor: I am not currently an assessor but as the head of the department, getting to know my new position is my biggest challenge! Stepping into the middle of Appeals, Court of Common Pleas cases, and trying to navigate our database have all been an adventure. I like to know the whole story, so jumping into the middle leaves me no choice but to go backwards in order to move forwards. I will be taking my CPE later this year so will then add Chief Assessor to my title.

First Job: Waitress at a small coffee shop in my hometown.

If I couldn't be an assessor, I'd be: I always wanted to be a police officer when I was growing up. Children and a two country move have somewhat interfered with that dream.

If I won millions in the lottery, I would: Build and operate a dog rescue sanctuary, donate money to some worthy causes and buy a really REALLY nice RV!

Favorite food and drink: Toad in the Hole with mashed potatoes, vegetables and gravy is my favorite dish and regular black tea (with a dash of milk) would be my drink of choice.

Favorite vacation: Scotland**.** I have been to a few places in my life but nowhere else has quite been able to compare to the feeling of peace in the midst of all that beauty.

Favorite movie: My Fair Lady.

Three people living or dead that I would invite to dinner: My Grandmother, my Mum and my daughter.

The hardest lesson I ever learned as an assessor was the time: I realized that very little was black and white. There is a very large portion of grey!

If I could live in the past for one day, I would change . . . My responses to a couple of the questions on my interview for the Suffolk Police. It is amazing how some life experience can change your perspective

My best friend: My significant other. He has supported me in everything, and I can talk to him about anything. He makes me laugh and helps me remain balanced and focused on what is important.

AAP
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MEMBERABILIA

AAP People

Continued from Page 5

County Commercial Industrial Appraiser for 25 years, left the county to work in the private sector as an independent appraiser and later returned to the county and joined the York County Board of Assessment Appeals for several years. Ken was the mayor of North York Borough for a number of years, very active in his local community, loved sports and always had a story to tell. Ken is survived by his son, Josh, granddaughter, Marilyn and sister, Jessica Hilt. He will be missed by all.

AAP Officers

Check out page 2 of this issue of the *AAP Journal* for the list of new AAP officers elected at May's Annual Conference. Congratulations to everyone!

Send Your Chapter & County News!

Don't forget to send your news for the next AAP Journal. Our next deadline is September 6. Please send your news to Terry Cochran at *tcochran@pacounties.org*.

Years of Service Awards

The following service awards were announced at the AAP Annual Conference in May.

Trailblazer Awards
(20 - 29 Years of Service)

Wendy K. Cook, Snyder County
Jani Lee DiMarco, Fayette County
Jill Emmert, Luzerne County
Susan J. Gotwals, Berks County
Eileen Heffron, Luzerne County
James G. Hotchkiss, Jr., Montgomery County
Christine Jean, York County
John Mazur, Luzerne County
Leslie "Gene" Mendenhall, Beaver County
Joann M. Neikam, Lehigh County

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

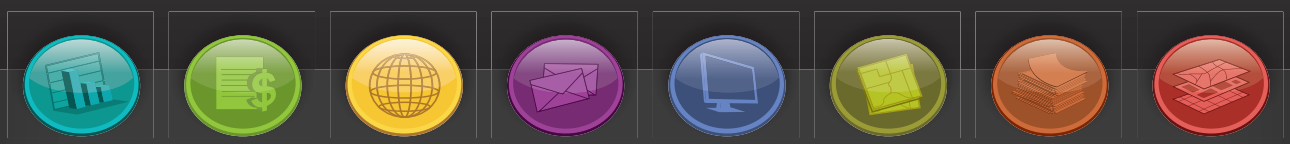
J.P. Fox, III, Berks County
David Good, Columbia County

Presidents' Awards
(40 or More Years of Service)

Duane Rashlich, Berks County
Norma Sando, Berks County

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