AAP Journal
Assessors' Association of Pennsylvania

AAP
ASSESSORS' ASSOCIATION OF PENNSYLVANIA

Summer 2015
Issue 3 Volume 12

CCAP COUNTY COMMISSIONERS ASSOCIATION OF PENNSYLVANIA
Serving Counties Since 1886

An affiliate of the County Commissioners Association of Pennsylvania

SHORT SALES

Larry Shubert, CPE
Real Estate Evaluation Supervisor, Philadelphia County

A Short Sale is:

A) A sale happening in a short period of time
B) A sale to people under a certain height
C) Houses that are less than two stories
D) None of the above

If you chose D, you are a very astute individual.

Actually, a short sale is a sale of real estate in which the proceeds from selling the property will fall short of the balance of debts secured by liens against the property. Also, the property owner cannot afford to repay the liens' full amount and the lien holders agree to release their lien on the real estate and accept less than the amount owed on the debt. Any unpaid balance owed to the creditor is known as a deficiency. Short sale agreements do not necessarily release borrowers from their obligations to repay any shortfalls on the loans unless specifically agreed to between the parties.

I have also seen the next definition which I believe has more relevance to our position and that is, selling a home for less than the amount the current owner owes the mortgage company.

Most of the time, the seller has already fallen behind on the mortgage, but occasionally the seller is current but unable to continue to pay because of ill health or job change. This is particularly true in parts of the country where home prices have fallen significantly. A short sale is often used as an alternative to foreclosure because it mitigates additional fees and costs to both the creditor and borrower. In any case, both often result in a negative credit report against the property owner.

Real estate industry data indicates there were 2.2 million short sales in the United States during the period of the sub-prime mortgage crisis up to mid-2013. In most cases, the following examples would force property owners to pursue a short sale- unemployment/reduced, income, divorce, medical emergency, job transfer out of town, bankruptcy or death.

So what does this have to do with us as assessors?
1. Is this a good sale?
2. By the time they actually settle, did it sell for less than the market?
3. How many of these have you seen used as comparables in an appraisal with no adjustments?

I will address number one first; depending on what part of the country you're in, this may be all you have. I remember being at an AAP Conference awhile back and hearing from a few assessors that in their particular county, most of their sales were short sales and that is what they used as comparables.

Some short sales get approval in two to eight weeks, while others can take 90 to 120 days on average. So, if one sold at the beginning of a declining market for less than market value but in three months the market value for the other properties is what they sold for, then is it a good sale…..tough call.

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Ideas for You

HOW A MANAGER'S KWIK-E-MART TRIP COST $100K

Employment law risks don't disappear the minute you leave the building at day's end. Managers should never discuss personnel matters outside the workplace - even at the corner Kwik-E-Mart.

Case in point: Terryn Risk, a part-time police officer near Pittsburgh, was a very religious person. But when he started wearing a small cross on his uniform lapel, his supervisor told him to remove it. About that same time, the department had decided it needed to cut some part-time officer positions to cut costs.

One day, Risk's supervisor had a conversation about the potential cuts with a clerk at a local convenience store. The clerk, who knew all the officers from their routine patrols, recommended that three officers including Risk, should keep their jobs. The supervisor then allegedly said he wasn't planning to retain Risk because Risk's religion kept him from working on Sundays.

Risk lost his job. When he heard about his supervisor's comments, he sued for religious bias. A jury awarded him $100,000 after hearing the clerk's testimony. *(Risk v. Burgettstown Borough)*

— Officer Manager Today, May 2015 Special Edition of Business Management Daily

What's Inside

President's Message, Legislative Update, AAP People

AAP OFFICERS

Melissa Border, CPE
Bedford County
President
(814) 623-4842
mborder@bedfordcountypa.org

Angelia Tennies, CPE
McKean County
President Elect
(814) 887-3215
astennies@mckeancountypa.org

Larry Shubert, CPE
Philadelphia County
Vice President
(215) 686-7680
larry.shubert@phila.gov

Deborah Crawford, CPE
Tioga County
Treasurer
(570) 723-8112
dcrawford@tiogacountypa.us

Mark Kellerman, CPE
Centre County
Secretary
(814) 355-6721
mjkellerman@centrecountypa.gov

Charles "JR" Hardester, CPE
Lawrence County
Immediate Past President
(724) 656-2191
chardester@co.lawrence.pa.us

AAP COMMITTEE CHAIRS

Larry Shubert, CPE
Philadelphia County
AAP Journal Editor
(215) 686-7680
larry.shubert@phila.gov

Jonathan Schuck, CPE
Chester County
Government Information Co Chair
(610) 344-6147
jschuck@chesco.org

Mark Kellerman, CPE
Centre County
Government Information Co Chair
(814) 355-6721
mjkellerman@centrecountypa.gov

Steve Howe, CPE
Dauphin County
Education Co Chair
(717) 780-6121
showe@dauphinc.org

Randy Waggoner, CPE
Perry County
Education Co Chair
(717) 582-2131
rwaggoner@perryco.org



President's Message

Bittersweet is the only way I know to describe the Annual Conference. It was difficult to say "goodbye" to some very special assessors and it was soooooooo sweet to finally be crowned Queen !!!! Thank you JR for being the best example of how to lead this organization. I will do my best to make you proud!

We now have all the committees full and I have to say it was encouraging to receive so many emails from members wanting to serve. I'm looking forward to our July board meeting to see all the new faces – and yes, the old faces too- you know who you are !!! I'm anticipating the "newbies" contributing some fresh ideas to continue to keep our association alive and well! And, of course, I can't wait to wear my crown again!

Since the POTUS does a State of the Union address, it's only fitting that the Queen do the same for our association, right ?! MORE Clean and Green changes coming, MORE Homestead/Farmstead changes coming, MORE pending tax reform coming, MORE work for the Assessors. That makes everything pretty much "status quo!" To find out more about the changes, please take the time to read Jonathan's legislative report. He does a fantastic job at keeping us informed….thank you, Jonathan !

I'm going to end my message with this challenge to all of you….

From today until my next message…..every day take a little time for yourself. Your body and soul need it, you deserve it, and those around you will appreciate it.

Peace to all!

Your Highness,

Melissa

Melissa Border
AAP President



Legislative Update

By Jonathan B. Schuck, Co 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. Depending on the timing of vacation plans, you will either be enjoying the sun shimmering off ocean/lake waves or experiencing heat pouring off the asphalt in waves. In either case, the beat goes on in Harrisburg, where elected officials continue to introduce a small tsunami of proposed legislation.

During the first five months of the 2015/2016 Session, more than 2,524 pieces of legislation have been introduced, 31 of which are assessment-related bills/resolutions. However, there has been limited committee activity since the last Legislative Update in March. The focus remains on the 2015 budget and its key components so this Legislative Update is short and sweet. Enjoy the summer and early fall seasons!

House Bill 806

This bill would significantly amend the Farmland and Forest Land Assessment Act (Clean and Green) relative to valuation, acreage changes and gross income requirements for parcels less than 10 acres. There was substantial discussion regarding this bill at the recent AAP Spring 2015 Conference. The House Agriculture Committee has unanimously reported the bill as of May 29 and both the CCAP Government Relations Director and AAP Clean and Green Committee are closely monitoring subsequent activity.

House Bill 912/Senate Bill 785

These companion amendments 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. If enacted, this would largely nullify the effect of Judge Leadbetter's decision on the valuation of sheds (*Pederson v Monroe County Board of Assessment Appeals*). Currently in the respective Local Government Committees.

House Bill 613

This act would supplement the Improvement of Deteriorating Real Property or Areas Tax Exemption Act and the LERTA Act. Properties adjacent to "blighted areas" which might not otherwise qualify could be eligible for a tax exemption which is reduced over a 10 year period. The first 3 years are 100% exempt, the following years, the exemption declines to 90%, 75%, 60%, 45%, 30%, 15%, 10% before the exemption terminates. This bill passed in the House 191-0 on May 13 and is currently in the Senate Urban Affairs and Housing Committee.

House Bills 598, 599, 708, 860, 1115 and 1144
Senate Bills 118, 592 and 626

The above bills represent a host of proposals regarding property tax reform/relief and some tie into the 2015 budget negotiations. Time will clarify which if any of the proposals gain traction.

AAP STAFF

Douglas E. Hill
Executive Director
PO Box 60769
Harrisburg, PA 17106-0769
(717) 526-1010 x 3115
fax (717) 526-1020
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
PO Box 60769
Harrisburg, PA 17106-0769
(717) 526-1010 x 3112
fax (717) 526-1020
llawyer@pacounties.org

The *AAP Journal* is published four times a year.
Deadline for the Fall 2015 issue is September 6, 2015

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

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My county recently reassessed and received over 50,000 appeals. The appraisals came pouring in and so did the bad comparables – or were they? When I first saw them, I was ready to throw them out for various reasons, but one was making no adjustments on short sales. But, say you have three comparables-one an estate sale, another as an REO and the last a short sale - which one do you throw out?

What it builds down to is - know your market.

Generally, short sales are not bargains for a buyer. It doesn't mean the buyer is purchasing the property under market, and it can take a long time to close, if it closes at all among a host of other reasons. Not all lenders will approve a short sale, and many short sale prices that are advertised are not real prices; they are guesses at what it takes to sell the home.

So the next time you're ready to kick out that short sale, remember to do some further investigation as it might be a good sale after all.

Years of Service Awards

The following service awards were announced at the Annual Banquet in Seven Springs in April. Thank you for your dedication to county government!

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

Name/County or Firm	*Years of Service*
John P. McCormick, Wayne County	31
Debbie Kolodziej, Bradford County	32
Bernard Walsh, Bradford County	32
Wesley Graham, Tyler Technologies, Inc.	33
David M. Depp, Tyler Technologies, Inc.	34
Barry Seager, Cambria County	37

Presidents' Award (40 or More Years of Service)

Name/County or Firm	*Years of Service*
Brenda Shaw, Berks County	40
Barbara Walter, Adams County	42

Annual Awards

The following awards were announced at the Annual Banquet in Seven Springs in April. Congratulations to all of the deserving recipients!

Robert A. Hanisits, CPE, Memorial Award
Larry Shubert, CPE, Philadelphia County

Carl W. Naessig Award
Deborah Crawford, CPE, Tioga County

President's Appreciation Awards
Eugene Porterfield, CPE, Evaluator Services and Technology, Inc.
Randy Waggoner, CPE, Perry County

Garrity Award
Larry Shubert, CPE, Philadelphia County

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AAP People & Chapter News

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 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 **Nicholas Snyder**, the county's new data collector.

Chester County

Chief Assessor **Joe Finnaren** retired on May 1 after more than 20 years with Chester County and seven years as the Chief. The new chief assessor is **Susan Caldwell**. Happy retirement, Joe and congratulations, Susan!

Clarion County

Congratulations to **Emily Weiser** and her husband Brandon on the birth of their son, Paul Francis Weiser, who was born on June 24, 2015!

Lawrence County

Jennifer Marburger is the county's newest CPE. **JR Hardester** and his wife Rachel welcomed their family's newest addition, daughter Emma Marie, on January 30.

Lehigh County

The county would like to recognize **Joann M. Neikam**, CPE. She has been with Lehigh County since 1989 and she is the recent recipient of the AAP Trailblazer Award for 20 to 29 years of service as an assessor. Thank you Joann for your dedication and all you do for our office.

Montgomery County

After 38 years with the county, **Florence (Sissy) Squillace** retired from Montgomery County as chief assessor. She served in various roles throughout the office over her career. She also served as treasurer for SECAAP for a number of years. Enjoy your well-deserved retirement!

James Hotchkiss will be retiring on July 10th after 27 years as a residential assessor. Enjoy your retirement!

Congratulations to Montgomery County's new chief assessor, **Christopher Huff**!

Congratulations to the county's newest CPE, **Robert Wright,** who is now a commercial assessor.

Union County

Congratulations to the county's newest CPE, **Roxy Carl**!

York County

Congratulations to **Denzil Dowler**, York County's newest CPE!

Correction

The last AAP Journal's AAP People & Chapter News section in the Spring edition contained an incorrect meeting date for the South East Chapter. The correct date for the December 2015 meeting of the South East Chapter is Wednesday, the 2nd, not the 9th. Please mark your calendars accordingly!

Send Your Chapter & County News!

Don't forget to send your county or chapter news for the next *AAP Journal.* Our next deadline is **September 6**.

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





Mary Ann (Lou) Lewis

Chief Assessor

Greene County

Years in assessment field: 11 years

Marital Status and family: Divorced with two amazing children, my son, Ricky, age 30 and daughter, Danelle, age 25.

What irritates me most in the assessment business: People who think they are over assessed, appeal for a lower assessment and then sell the very same property for four times the assessed value.

Most people would be surprised to know: I'm a black belt in Shotokan karate and love riding motorcycles.

Biggest challenge as an assessor: Finding Clean and Green land being used for Industrial/Commercial use. Keeping track of and assessing manufactured homes**.**

First Job: Secretary for District Magistrate.

If I couldn't be an assessor, I'd be: I have always wanted to be a nurse, but never completed the training.

If I won millions in the lottery, I would: Take care of my family and my children's future and then I would like to travel.

Favorite food and drink: I love lasagna but could eat pizza every day and margaritas or sweet tea.

Favorite vacation: One year all of my sisters, our families and my mom and dad went to Emerald Isle - best time of my life.

Favorite movie: The Fleets In, very old black and white with William Holden and Dorothy Lamour. Funniest movie I've ever seen.

Three people living or dead that I would invite to dinner: My dad, the most influential person in my life, so I could spend one more day with him. My Pap Robinson, so he could meet my children.

The hardest lesson I ever learned as an assessor was the time: I took the position as Chief Assessor and realized how many reports are required.

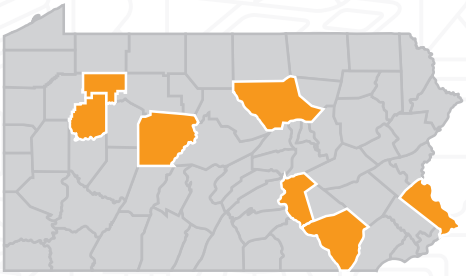
If I could live in the past for one day, I would change...nothing, everything happens for a reason.

My best friend: Kim Renner (my friend for life) and I have a wonderful mother, great children, four sisters and three brothers that I can go to and talk with about anything without hesitation. I guess you could say "I'm Blessed".

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2015-16 AAP Officers



Board members from left to right are Melissa Border, President; Angelia Tennies, President Elect; Larry Shubert, Vice President; Deborah Crawford, Treasurer; Mark Kellerman, Secretary; and, Charles "JR" Hardester, Immediate Past President.

2015-16 Education Calendar *

Fall 2015 CPE Classes
Ramada Inn, State College
Intro - September 14 – 18
Site/Market - September 22 – 25
Cost - September 28 – October 2
Income - October 6 – 9

AAP Fall 2015 Conference
November 5 – 6, 2015, Omni Bedford Springs, Bedford

CPE Review Course
November 30 – December 2, 2015
CCAP, Harrisburg, PA

Spring 2016 CPE Classes
CCAP Office, Harrisburg
Intro - March 7 – 11
Site/Market - March 15 – 18
Cost - April 4 – 8
Income - April 12 – 15

2016 AAP Annual Conference
May 4 to 6, Hilton Harrisburg, Harrisburg

Fall 2016 CPE Classes
Ramada Inn, State College
Intro - September 19 – 23
Site/Market - September 27 – 30
Cost - October 3 – 7
Income - October 11 – 14

** Check the AAP website, www.paassessors.org, for more details.*

PO Box 60769
Harrisburg, Pennsylvania 17106-0769
(717) 526-1010
fax (717) 526-1020

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