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Assessors' Association of Pennsylvania

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CCAP
COUNTY COMMISSIONERS Association of Pennsylvania

An affiliate of the County Commissioners Association of Pennsylvania

Pennsylvania Property Assessment: A Self-Evaluation Guide for County Officials

By Joshua Zeyn, CPE, Assistant Chief Assessor, Tioga County
Deborah Crawford, CPE, Chief Assessor/Tax Claim Director, Tioga County

Reassessment, let's be honest, it's a topic that tends to carry a negative connotation in Pennsylvania. Reassessments are almost generational in some counties, with many assessors finishing their careers without experiencing one. In many cases, property owners are left paying taxes based on a value that is decades old, regardless of whether or not the value is accurate and uniform with similar properties. When a county, or in some cases the courts, finally decide that it's time for a reassessment, the task can become quite a burden for all of the individuals involved with the project, including the property owners.

Assessment Reform Task Force

In November 2016 the Local Government Commission (LGC) created the Assessment Reform Task Force in response to recent assessment-related litigation, and reports of inconsistencies and inequities in Pennsylvania's current assessment system. The primary focus of the Task Force was to finally address the various recommendations presented in House Resolution Reports, H.R. 334 of 2009, H.R. 343 of 2011, and H.R. 344 of 2011, relating to the modernization, efficiency, transparency and fairness of the property assessment system in Pennsylvania. (source: *http://www.lgc.state.pa.us/arTaskForce.cfm*)

The Task Force, in conjunction with the County Commissioners Association of Pennsylvania (CCAP) and the Assessor's Association of Pennsylvania (AAP), developed and endorsed three best practice documents which are now available on the AAP, CCAP and LGC websites: *Data Collector Standards*, *Model RFP and Contracting Guidelines for County Reassessment Services*, and *Pennsylvania Property Assessment: A Self Evaluation Guide For County Officials*. There are several assessment related bills that have been drafted which are available on the LGC website as well.

Self-Evaluation Guide

Pennsylvania is very diverse and contains old and new properties, urban and rural regions, and growing and declining areas. After months of discussion and research, the Self-Evaluation Tool Subcommittee concluded that a single statistical measure would be difficult to develop for the entire state at this time. It was evident that many counties weren't regularly performing any type of self-evaluation task, or conducting regular assessment ratio studies. If they are performing these tasks, they aren't acting on the results. As pointed out in Alan Dornfest's 2014 *Review of Calculation of Common Level Ratios (CLR's) in Pennsylvania*, "Pennsylvania is one of only eight states without either a current market value standard…or a specified reappraisal cycle." Unfortunately, as we've seen in some recent county reassessments, lengthy intervals between reassessments can lead to large shifts in the property tax burden, making this process even more difficult for counties to complete. Pennsylvania

Continued on page 5

AAP Education Calendar

2018 Fall Conference*
November 15 - 16
Kalahari Resorts & Conventions
**Registration is now open at www.paassessors.org.*

Fall 2018 CPE Review
CCAP Office, Harrisburg
November 28 - 30

Spring 2019 CPE Classes
CCAP Office, Harrisburg
Intro - March 4 - 8
Income – March 11 - 15
Cost – March 18 - 22
Site/Market - March 25 - 29

2019 Annual Conference
Sheraton Station Square, Pittsburgh
May 1 - 3

CPE Class Review
CCAP Office, Harrisburg
June 3 - 5

Fall 2019 CPE Classes
CCAP Office, Harrisburg
Intro - September 15 - 20
Site/Market – September 23 - 27
Cost – September 20 - October 4
Income - October 7 - 11

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

What's Inside

President's Message, Legislative Update, AAP Awards, AAP People

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President's Message

Hi Everyone!

As I sit here writing this message we are just coming back from the Labor Day Holiday. It's hard to believe fall is on the horizon, *I think*. Weather forecasters are saying the heat and humidity will continue. It has been a busy summer. By the time you receive this message, Mark Kellerman and I will have visited all six of the AAP chapters to take a membership vote on the new AAP By-Laws and chapter operational agreements. Traveling to the chapters has given me an opportunity to see many of our members that aren't able to attend conferences on a regular basis. It has been an enjoyable experience.

The second week of August I attended the CCAP Annual Conference in Gettysburg. During the Conference I gave a brief review of the "Data Collection Standards", "The Self-Evaluation Guide" and the "Model RFP and Contracting Guidelines For County Reassessment Services" to the CCAP Assessment and Taxation Committee. I want to thank the committee chair, Commissioner George Halcovage from Schuykill County, and the committee members for expressing an interest in these documents.

It was an honor to have the opportunity to represent the AAP at the CCAP Board of Directors meeting. The CCAP Board unanimously adopted, by resolution, the Local Government Commission's Assessment Reform Task Force documents as "best practices".

Support from our commissioners made it possible for members of the AAP to be involved in the development of the Assessment Reform Task Force projects.

At our July board meeting, the AAP Board of Governors also adopted these tools as "best practices". The documents can be found at the AAP, Local Government Commission and CCAP websites.

I look forward to seeing you on November 15th at the Kalahari Resort in the Pocono Mountains.

Deb

Deb Crawford, 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*, we will be enjoying the relative coolness of early fall weather. I hope this season is filled with events and memories that refresh you both professionally and personally.

With less than four months remaining in 2017/2018 Session, 5212 bills/resolutions have been introduced, 64 of which pertain to assessment-related matters and at least 12 of which pertain to tax claim-related matters. There has been minimal legislative activity since mid-June as elected officials focused attention on campaign activities in their home districts.

These five items were prepared for the prior Update but limited column space precluded their inclusion. While delayed, the information is still relevant to assessment and tax claim operations.

House Bill 1991/Senate Bill 1006

This amendment would strengthen provisions of current assessment law on proper and timely submission of building permits to county assessment offices. It also allows for the creation of a county improvement certification form which would be submitted to the county assessment office by all persons making substantial improvements to their property regardless of whether a building permit is required. It provides for a civil penalty for those who fail to submit the form. First consideration in House Local Government Committee on March 14 and second consideration in Senate Appropriations Committee on April 25.

House Bill 1594/Senate Bill 832

This amendment would change the definitions of "assessor", "Certified Pennsylvania Evaluator" and "revaluation company" and add definitions for "property valuation model" and "revaluation company personnel". It would also require that all persons responsible for the valuation of real property for ad valorem taxation purposes be certified. This now includes people employed by revaluation companies who are directly responsible for valuation of real property or the development of a property valuation model. Passed 149-48 in the House in September 2017 and second consideration in Senate Appropriations Committee on June 13, 2018.

Act 38 of 2018 (House Bill 1814/Senate Bill 851)

This Act updates the Real Estate Tax Sale Law to prevent a delinquent property owner from using county trustee status, acknowledged by the *Sprock* case, as a defense to an ordinance enforcement action. The act also provides that a county still has the option to access the delinquent property to maintain it; however, such maintenance is not an affirmative duty of a county. The bills were signed by the Governor on June 2018 and effective 60 days subsequent (now).

Act 33 of 2018 (Senate Bill 667)

This amendment grants redevelopment authorities the same powers currently allotted to land banks through the Pennsylvania Land Bank Act. It also allows redevelopment authorities to acquire tax delinquent properties at a judicial sale without competitive bidding, to discharge tax liens on those properties and to share up to 50% of the real property taxes for five years

Continued on page 7

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The *AAP Journal* is published four times a year.

Deadline for the Winter 2019 issue is December 7, 2018.

Article submissions are welcome.
Please send to:
Terry Cochran
AAP Deputy Director

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AAP People & Chapter News

South Central Chapter

The chapter meets quarterly - March, June, September and December. Each meeting begins with the business meetings at 9 a.m., with seminars beginning immediately after the meeting (approximately 9:30 a.m.) and are held at the Adams County Agricultural and Natural Resources Center, 670 Old Harrisburg Road, Gettysburg, PA 17325. Please contact Barb Walter at (717) 337-9837 for more information.

South East Chapter

The chapter's next meeting dates are September 26 and December 5. The chapter meets at Indian Valley Country Club. For more information, please contact Mark Jackowski, CPE, at (215) 348-6219 or *keyjazz5@hotmail.com*.

North East Chapter

The chapter's meeting dates are September 14, and December 7.

Adams County

Congratulations to **Tina Brewer**, Assessment Valuation Analyst/Tax Mapping Assistant and **Mike Zito**, Field Data Property Evaluator, the county's newest CPEs.

Congratulations to Amy and **Dave Appleby**, on the birth of their daughter, Kendall Ellyson Appleby, who was born July 2, 2018! Kendall joins her big brother Nolan, who is 4 years old. Dave is the Customer Service Supervisor and Commercial Appraiser for Adams County, President of the South Central Chapter and chapter representative to the AAP Board.

Armstrong County

Congratulations to the county's new chief assessor, **Troy Straitiff**!

Juniata County

Congratulations to **Lindsey Shoop** for passing the CPE exam in July!

Monroe County

Please keep **Cindy Treible**, Monroe County's chief assessor, in your thoughts. Her beloved husband, Wayne, passed away on July 23 after a long illness. Cards can be sent to Cindy at 232 Smithfield Trailer Ct East Stroudsburg Pa 18301. Donations can also be made to the National Kidney Foundation, 30 E. 33rd St., New York, NY 10016, or via *kidney.org*.

Send Your Chapter and County News!

Don't forget to send your county or chapter news for the Winter 2019 issue of the AAP Journal. Our next deadline is **December 7.**

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

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Continued from page 1

property owners don't necessarily like this and rightfully so.

The Subcommittee prepared a guide to promote greater understanding and dialog among county officials and staff for the purpose of advancing fair and accurate property assessments. While this guide is not legislative in nature, and it's not a mandate, it's meant to encourage counties to establish statistical standards to review their assessment performance more frequently, and to address uniformity and equity issues before they become too serious. The Self-Evaluation Guide does not directly answer the question as to whether a reassessment is warranted, but is more so a discussion of why it's important to monitor assessment performance, what must occur before deciding to reassess, and what statistical measures should be looked at. The most important standard that counties should consider when evaluating the uniformity, fairness, and equity of property values is Article VIII, Section 1 of the Pennsylvania Constitution which states the following:

All taxes shall be uniform, upon the same class of subjects, within the territorial limits of the authority levying the tax, and shall be levied and collected under general laws.

During our research we quickly found out that we weren't the first group to tackle these assessment related issues. According to a 2010 report published by The Center for Rural Pennsylvania titled "Pennsylvania County Property Reassessment: Impact on Local Government Finances and the Local Economy," there have been at least three studies on taxation commissioned by Pennsylvania governors over the past 40 years (now 50 years). The report also acknowledges that "these studies recognized the inequities that result from not conducting regular reassessments; the difficulties involved in the reassessment process; and the possible benefits of regular reoccurring countywide reassessments and a uniform assessment standard."

The Role of the County in Property Valuation and Assessment

Unlike other states, Pennsylvania doesn't have a state oversight agency with a direct role in property valuation and assessment performance. This responsibility falls directly on each county. Deciding when to undertake a reassessment, how it's accomplished, and how often it occurs are all choices made by each county. The only exception to this is when the courts order a reassessment based on a uniformity challenge. This section of the Self-Evaluation Guide also addresses market value changes and encourages each county's governing body and the assessment office to periodically review compliance with constitutional uniformity requirements. In many cases market value changes that are attributed to various trends and factors cannot be addressed unless a county undertakes a countywide reassessment.

Trends and Factors that May Influence the Need for a Countywide Reassessment

There are many trends and factors that counties should be aware of that may influence the need for a reassessment. These include but are not limited to changes to physical characteristics of properties, economic fluctuations or business cycles, social trends, and governmental factors.

Other trends and factors outlined in the Self-Evaluation Guide include the volume and geographic locations of assessment appeals, and administrative factors which can include any of the following: incomplete/inaccurate property records, inconsistent and/or problematic assessment practices, length of time between countywide reassessments, and absence of routine data analysis or sales ratio studies.

Ratio Studies and Standards

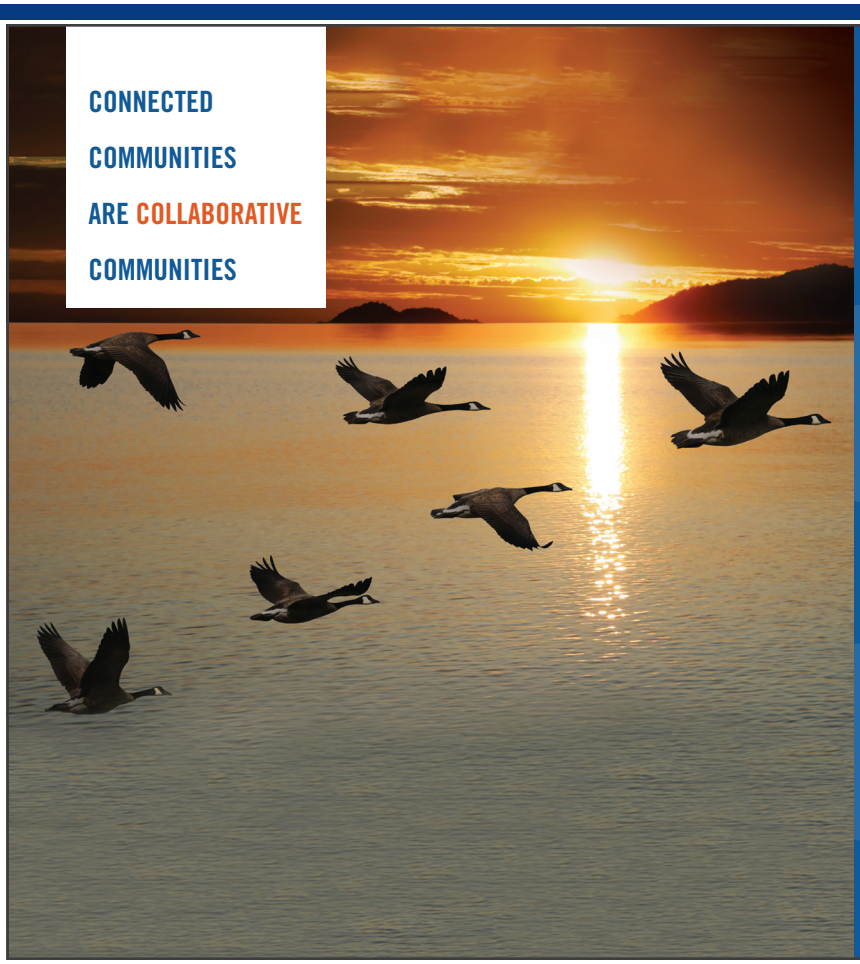
The Self-Evaluation Guide provides an overview of the basic ratio study process as outlined by the International Association of Assessing Officers (IAAO) standards, and provides references to additional resources counties can refer to when completing these tasks. The standards presented in the guide could vary county to county depending on each individual county's characteristics and market. It is important to note that the standards presented are advisory in nature and shouldn't be applied blindly without thorough review. The guide encourages counties to review their own data to make a determination of the standards that will best fit their own characteristics and market activity.

Moving Forward

The AAP Assessment Law Committee feels that this guide should be a living document that is revisited and updated as necessary. We are hopeful that within the next three years each county in Pennsylvania will take the necessary steps to perform a baseline ratio study, either on their own, or with the assistance of STEB. A state-wide baseline will help navigate the future direction of this guide; whether it's future revisions, or proposing that some of the recommendations in the guide be legislated.

This will be the first of a series of articles that will appear in the AAP Journal.

This article is dedicated in memory of Kendall "Scott" Phillips, a member of the Self-Evaluation Guide Subcommittee during the early phases of the project. Scott had approached us early on about writing an article to accompany the guide.



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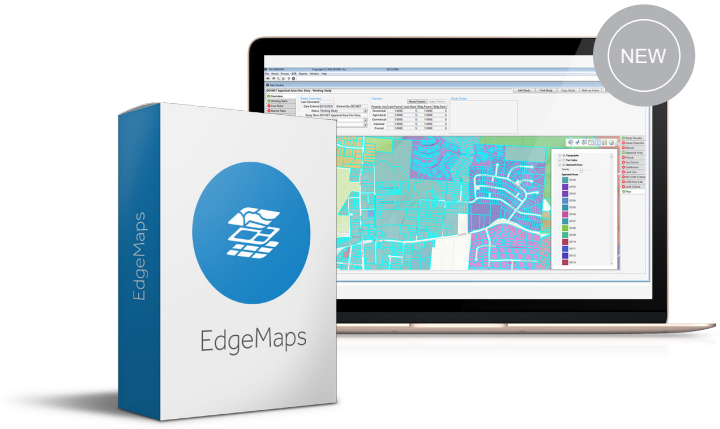
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Legislative Update
Continued from page 3

after conveyance of authority-owned property. It also eliminates the need to form an entirely new entity in these municipalities, which can be redundant and cost-prohibitive given the lack of resources and funding for these initiatives. This does not limit the ability of a community to create a land bank or affect existing land banks in any way. This bill was signed by the Governor on June 19 and effective 60 days subsequent (now).

Senate Bill 735

This legislation would amend the Real Estate Tax Sale Law to establish a county demolition and rehabilitation fund in each county. The governing body of a county may, by ordinance, impose a fee not to exceed 10 percent of the assessed price of a property being sold for delinquent taxes. A public notice shall be provided stating the establishment of the fee and it percentage rate. The fund established may be used by the county, any not-for-profit or pro-profit corporation that has a contract with the county or any taxing entity, redevelopment authority, land bank or other government entity, for the demolition or rehabilitation of blighted property located in the county. Passed 49-0 in the Senate on June 22 and currently in the House Urban Affairs Committee.

IAAO Membership

If you are interested in joining the IAAO, the fall is great time to do it! If you join in October, November or December of 2018, you will get those months "free" along with one year of membership starting in January 2019.

For details, please visit the IAAO website at *iaao.org*.



AAP Award Winners

Congratulations to all of our service award recipients who were honored at the AAP Annual Conference in April! Thank you for your service to AAP and your county or firm.

Trailblazer Awards (20 - 29 Years of Service)
Lynda Kyttle, Monroe County
Tim McCoy, Westmoreland County
Beth Stabile, Westmoreland County

Board of Governors' Awards (30 - 39 Years of Service)
Nancy M. Moser, Adams County
Michelle R. Sowers, Fulton County
Catherine J. Voda, Wyoming County

Presidents' Award (40 or More Years of Service)
Joseph Witek, Bucks County
Stephen Myshak, Lackawanna County

Golden Achievement Award (50 or More Years of Service)
Eugene Porterfield, Evaluator Services and Technology, Inc.

Congratulations to all of the AAP Annual Awards recipients!

President's Awards
Deborah Crawford, Tioga County
Josh Zeyn, Tioga County
Steve Howe, Dauphin County
Danette Magee, Local Government Commission

Robert A. Hanisits, CPE/Alfred K. Hettinger Esquire Memorial Award - Josh Zeyn, Tioga County

Carl W. Naessig Award - Cindy Treible, Monroe County

Michael M. Chudy Award - Kendall Scott Phillips, Allegheny County

Matylda Zurowska Hudak Award - Barbara Walter, Adams County

Garrity Award - Kimberely Powell, Jefferson County, North West Chapter

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