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Assessors' Association of Pennsylvania

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CCAP
COUNTY COMMISSIONERS Association of Pennsylvania

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High Voltage Transmission Lines and Property Values

By Kendall "Scott" Philips, CPE, Assistant Valuation Manager
Allegheny County Office of Property Assessment

I am sure that we have all heard the argument regarding high-voltage transmission lines (HTVL) and property owner claims, that they decrease the value of their home and the property that it is located on. It is always an interesting conversation as to how it effects the value - the HVTL more than likely was there when the property was purchased. So the question is, was it an issue then or is it an issue now because the homeowner wants a decrease in the property's market value and is using the HVTL as an avenue to argue its effect on value?

The overall impact of high voltage transmission lines on the value of residential property has been an issue that has been before many appeal boards throughout our commonwealth for several years. These impacts are not easily measurable. Research shows that the effects of HVTL are varied and are determined by five factors:

1) Proximity to the towers and lines
2) The view of the towers and lines
3) The type and size of the structures
4) The appearance of the easement landscaping
5) Surrounding topography

The valuation of a property which has an electric transmission line requires an understanding of the basic principles of "market value." Market value can be defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. The key point to the market value definition, which gives guidance to the "impact" question is the "prudent and knowledgeable buyer" part of the definition.

When negative impacts are evident, appeal boards seem to be more sympathetic towards the property owner. Most of the evidence presented by the property owner has been attributable to the visual unattractiveness of the lines, potential health hazards, disturbing sounds, and safety concerns. These impacts diminish as the distance from the HVTL increases or the views of the lines and towers are at least partially screened from view by trees, landscaping or topography.

These impacts are hard to measure. The reason being is that personal preference may cause some home buyers to locate further from the power lines because they consider them a nuisance and an eyesore, while others may not. Take a look at some areas within your county, you will find that some builders have developed land near these HVTL and have little or no problem selling the homes within the development. Most buyers look at the development and consider its landscaping, location to shopping, schools and other amenities.

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AAP Education Calendar

Spring 2018 CPE Classes
CCAP Office, Harrisburg
Intro - March 5 - 9
Site/Market - March 12 - 16
Cost - March 19 - 23
Income - April 9 - 13

2018 Annual Conference
April 25 - 27
Valley Forge Casino Resort

Spring 2018 CPE Review
CCAP Office, Harrisburg
June 18 - 20

2018 Fall Conference
November 15 -16
Kalahari Resort

Fall 2018 CPE Classes
Courtyard by Marriott
State College
Intro - September 10 – 14
Site/Market - September 17 – 21
Cost - September 24 – 28
Income - October 1 – 5

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

What's Inside

President's Message, Legislative Update, Latest County Corner, AAP People

AAP OFFICERS

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

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

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

Robert Roland, CPE
Bedford County
Treasurer
(814) 623-4842
rroland@bedfordcountypa.org

Lynda Kyttle, CPE
Monroe County
Secretary
(570) 517-3133
lkyttle@monroecountypa.gov

Angelia Tennies, CPE
McKean County
Immediate Past President
(814) 887-3215
lkyttle@monroecountypa.gov

AAP COMMITTEE CHAIRS

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

Charles 'JR' Hardester, CPE
Lawrence County
Education Co Chair
(724) 656-2191
chardester@co.lawrence.pa.us

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



President's Message

Hello Everyone,

By the time that you all read this, we will be either in the height of the holidays or just getting over them. Whatever the case may be, I hope that you, your friends and your family are having or have had a wonderful holiday season.

As the New Year starts the AAP has a lot of important projects ahead of them. The first being the Self Evaluation Tool Committee chaired by Deb Crawford and Josh Zeyn who are doing a great job along with the committee which should culminate in a proposal being given to the Local Government Commission sometime in March.

Next on the list is the appointment of two CPE's to the State Board of Certified Real Estate Appraisers. Hopefully, we can get that passed by the Senate sometime soon.

The Education chairs are moving right along and now have two new instructors joining the team. Welcome to Wes Graham and Bruce Witt while saying goodbye and good luck to Melissa Border! A special thanks goes out to all of our committees and their chairs for the great job that they have been doing.

As you all may know by now, Delaware County has been court ordered to do a reval and all that I have been reading in the paper is that pressure is being put on other counties to do the same thing. So I expect 2018 to be a very busy year for those counties. (*You know who you are*). Going forward the Executive Board and the Board of Governor's will be meeting in January for three days to go over everything that I mentioned plus a few issues that we will be discussing at a later date.

One thing that I have been discussing with some of the Board is possibly changing the terms of the Executive Board from one year to two. The reason for that is that you really don't get a chance to accomplish everything that you want to get done. Anyway, mull that over and if anyone has any thoughts on that please send me an email. In closing, **HAPPY NEW YEAR** and hope to see you all soon.

Sincerely,

Larry from Philly

Larry Shubert, CPE, 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, we will have celebrated Thanksgiving, possibly celebrated Christmas and be on the cusp of a new year – a year likely to be filled with many new challenges and many new learning opportunities. The 2017-2018 Session is half over and our elected officials and their staffs have not been idle.

Since January 2017, 2824 bills and 866 resolutions have been introduced. Of course, not all this activity is assessment-related - 26 House bills, one House resolution and 23 Senate bills will potentially impact our professional lives. Since the prior *Legislative Update* as of August 29, there has been limited activity due to legislators' focus on budget negotiations and the November elections.

Pamphlet Laws Resolution No. 1 (House Bill 1285)

In November, voters were asked to decide on a constitutional amendment that would allow local taxing jurisdictions to raise the maximum amount of the homestead exclusion from 50% of the median value of all the homestead property to 100% of the value of each property enrolled. Approximately 1.7 million registered voters answered the ballot question and the amendment passed by a margin of approximately 140,000 votes. The ball is now back in the Legislature's court to propose how the amendment might be funded - a highly divisive issue to say the least.

House Bill 1361/Senate Bill 689

This amendment would increase the size of the State Board of Certified Real Estate Appraisers from eight to ten. Six of the members would be certified real estate appraisers, two would be certified Pennsylvania evaluators and two would be public members. An appointee can be both a certified real estate appraiser and a certified Pennsylvania evaluator but the appointment has to specify in which capacity they are being appointed. Passed 192-0 in the House on 6/21/2017 and remains in the Senate Consumer Protection and Professional Licensure Committee. The companion Senate Bill was introduced on 5/15/2017 and remains in the same Committee.

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 also would require that all persons responsible for the valuation of real property for ad valorem taxation purposes be certified including those 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 on 9/26/2017 and currently in the Senate Consumer Protection and Professional Licensure Committee. The companion Senate Bill was introduced on 8/10/2017 and remains in the same Committee.

House Bill 1890/Senate Bill 950

This Act would create a Voluntary Real Estate Sales Verification Form Pilot Program with the goal of determining if the real estate

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AAP STAFF

Douglas E. Hill
Executive Director
PO Box 60769
Harrisburg, PA 17106-0769
(717) 736-4715
fax (717) 526-1020
dhill@pacounties.org

Terry Cochran
Deputy Director
PO Box 60769
Harrisburg, PA 17106-0769
(717) 736-4734
fax (717) 526-1020
tcochran@pacounties.org

Lori Lawyer
Administrative Assistant
PO Box 60769
Harrisburg, PA 17106-0769
(717) 736-4712
fax (717) 526-1020
llawyer@pacounties.org

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

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AAP People & Chapter News

South Central Chapter

The South Central 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

Th South East Chapter's 2018 meeting dates are March 21, June 27, 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 North East Chapter's 2018 meeting dates are April 6, June 8, September 14, and December 7.

The chapter's officers for 2018 are: President: **Darrell Lutz**; Vice President: **John Foley**; and, Secretary/Treasurer: **Michelle Koroly**.

North West Chapter

The North West Chapter's 2018 meeting dates are April 13, June 8, August 17 and October 19.

Congratulations to the chapter's newly elected officers: **Joseph Galbo, III**, President; **Tyler Daniels**, Vice President; **Chad Cochran**, Treasurer; and, **Janet Courson**, Secretary.

Adams County

Congratulations to **Susan Miller** who has been promoted to Assistant Chief Assessor!

Berks County

We wish **JP Fox III** well on his retirement from Berks County. JP has served several terms on the AAP Board of Governors and is an AAP past president. Enjoy your retirement!

Erie County

Best wishes to **Karen Giulianelli** who retired in November after 13 years with the Erie County Assessment Office. She also served as the chapter secretary.

Franklin County

Congratulations to **Ingrid Ashley**, Franklin County's newest CPE!

Northumberland County

The county welcomes back **David Heim**, a prior chief assessor, and now Northumberland County's newest field assessor!

York County

Congratulations to **Kate Snyder**, the county's newest CPE!

Send Your Chapter and County News!

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

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

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A number of studies provide evidence that the HVTL and their right of ways may have a positive effect on the value of some properties in some cases. The degree to which this occurs depends on the circumstances of the line itself, the neighborhood and the improvements made to the right of ways. These positive effects are most likely to occur in urban and suburban areas where the right of ways for the transmission lines create an open space corridor. The most frequently mentioned benefit of having property located next to a transmission line right of way is the advantage of having one less neighbor. In one study the right of way of an existing transmission line was integrated into the design of the subdivision which was developed around it. The transmission line was landscaped, and turned into a neighborhood amenity. In this neighborhood, the location next to the right of way has a positive impact on sales price.

Now, let's talk about the towers or the pylons. Research found that negative impacts on lots that are adjacent to or with a direct view of a tower or pylon may be slightly greater than the impacts of lots further away from the tower. This is most likely because the visual obstruction is more substantial than that from the lines themselves. Studies have also shown that the negative impact is greater on custom built higher-end homes than lower-end homes.

Another value issue related to High Tension Voltage Lines is the potential for a "utility" corridor. Such a corridor is where several utility transmission lines are placed and are often run into an electric substation which can also be very unsightly. Often times the electric company will plant fast growing pine trees as a barrier to block the view of the substation. A substation is a part of the electrical generation, transmission, and distribution system. Substations transform voltage from high to low, or the reverse, or perform any other important function. These substations can cover up to an acre or more, and could also have several towers and transformers which the HVTL run through.

We have discussed the residential issues, now what are the effects on the rural farm land? Research shows that the presence of a HVTL easement can have a noticeable impact on both the use and the appeal of rural properties and farms. Some of the common concerns include stray voltage, health risks to livestock and cattle, diminished livelihood and heritage, and limited land use. Stray voltage is the rural equivalent of the high-profile residential electromagnetic field. But instead of fearing brain cancer and leukemia, farmers fear their animals will become unproductive, ill and even die.

Whenever energy is transferred, some is lost along the way. If metal buildings are near leaking energy, they can act as conduit for voltage to find its way to feeding system, milking systems and stalls.

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Legislative Update - *Continued from page 3*

sales validation process would be more accurate if a uniform Real Estate Sales Verification Form was used. The County Commissioners Association of Pennsylvania, in cooperation with the AAP, the State Tax Equalization Board (STEB) and the Local Government Commission (LGC) have developed the form, instructions for completion, and implementation guidelines. No fee can be charged to any person for any costs associated with the pilot program and the use of the forms in any assessment-related proceeding is prohibited. Bill was introduced in the Local Government Committee on 10/25/2017 and the companion Senate Bill was introduced 11/29/2017.

Wishing each of you a productive and prosperous new year!

High Voltage Transmission Lines- *Continued from page 5*

In a 2008 study performed by the University of Wisconsin on cows at four dairy farms over a four month period it was found that after the first few days of exposure, cows quickly acclimated to the presence of stray voltage. They also found that it had little or no effect on the immune system of a cow. Stray voltage is usually undetected in humans, and some researchers believe it occurs when electricity escapes a power line or wiring system and emits a secondary current. The problem intensifies with the older barns that add automated electrical equipment, raising the ambient levels of current. Soon the cumulative effect of these secondary currents become harmful to the cattle. Though stray voltage can be measured, experts don't know how and why it happens or what conclusive effect it has on animals.

Though it's difficult to prove a significant presence of stray voltage, and even more difficult to prove a direct correlation between stray voltage and poor health in humans and livestock, we will always have the argument of the effect on value in relation to High Voltage Transmission Lines.

References for this article: Appraisal Journal, Clean Line Energy Partners, Wolverton and Bottler research 2011.



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Get Connected!

The AAP List Serve is a tool that allows active members to post a question to the others on the list about an assessment problem that your colleagues may be able to answer. Everyone on the List Serve is an AAP active member and the list is monitored and administered by AAP staff. This service is provided for AAP active members only and should be used in a professional manner.

To join the list serve or if you have questions about the AAP website or list serve, please contact Lori Lawyer, AAP Administrative Assistant, at llawyer@pacounties.org.

CCAP Unveils 2018 Priorities

CCAP's membership-selected priorities are the areas of primary legislative focus that guide the organization's activities with legislators. They are revised annually to stay current with ever-changing issues and concerns and to help counties continually provide critical services.

The county priorities for this year are:

- Human Services Funding and System Reform
- Preventing Substance Abuse and Drug Overdose
- Maintaining the Shale Gas Impact Fee
- Increasing Forensic Bed Access for County Inmates with Mental Illness
- Supporting Veterans Services
- Funding for Voting Systems
- Mandate Reform

For more information on the County Government Priorities, please visit the CCAP website at *pacounties.org*.



John Engels, Erie County

John Engels passed away this past October while traveling home from a family vacation. He was 63 years old.

John started with the assessment office when he was in his twenties and served as Director of Assessment until his retirement. He was also a member of the AAP and served on the Board of Governors as the representative from the North West Chapter.

John was diagnosed with ALS/Lou Gehrig's Disease several years ago which left him wheelchair-bound for the last three years. Nevertheless, he retained his sense of humor and his smile never left his face.

John is survived by his beloved wife Kathy Ann Donnell Engels, his children John Engels, Charity Engels Sherwood and Joshua Engels.

State Board of Certified Real Estate Appraisers

The State Board of Certified Real Estate Appraisers (SBCREA) regulates the certification of real estate appraisers and assessors in the Commonwealth of Pennsylvania. Upon application, the Board examines for, denies, approves, issues, revokes, suspends and renews certificates of appraisers and assessors. In addition to passing upon the qualifications and fitness of applicants for certification, the Board's functions include establishing standards of professional appraisal practice and conducting hearings upon complaint.

The SBCREA meets on a regular basis in Harrisburg and these meetings are open to the public. The board meets at the Pennsylvania Department of State at 2601 N. Third Street, Harrisburg, PA 17110.

The meeting dates for 2018 are -

February 1
March 29
May 10
June 21
August 2
September 13
October 25
December 13

AAP representatives regularly attend these meetings and report back to the AAP Board of Governors.

Legislation has been introduced, House Bill 1361 and Senate Bill 689, which would add two CPEs to the board.

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fax (717) 526-1020

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