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AAP Journal

ASSESSORS' ASSOCIATION OF PENNSYLVANIA

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Calendar

AAP Virtual Classes
February 8

CPE Spring 2023
CCAP Office, Harrisburg
Intro - March 6 – 10
Site/Market - March 13 – 17
Income - March 27 – 31
Cost - April 3 – 7

AAP Board Meeting
Kalahari Resort, Mount Pocono
May 2

AAP 2023 Annual Conference
Kalahari Resort, Mount Pocono
May 3 – 5

Act 28 - *Virtual*
May 18

USPAP (7-hour AQB) - *Virtual*
May 19

CPE Review Class - *Location TBD*
June 12– 14

CPE Fall 2023
CCAP Office, Harrisburg
Intro - August 21 – 25
Site/Market - August 28 – Sept 1
Cost - September 11 – 15
Income - September 18 – 22

AAP 2023 Fall Conference
Penn Stater Conference Center
November 2 and 3

*Visit **www.paassessors.org** for more information.*

Tax Immunity and Exemptions

Anthony Alu, CPE, AAP Past President

Some of the programs that we watch over on a daily basis are similar; however, we must know their differences to properly administer them.

As assessors, we strive to value each and every parcel within the county. Taxable or exempt, every parcel must have an assessed value. The job of the assessor is not to determine if the parcel is taxable or exempt; assessors only value the parcel. Only the Board of Assessment Appeals/Assessment Revision (in small counties where this board is the same as the commissioners of that county) can rule the parcel exempt once they are satisfied that all the necessary criteria required by the HUP (Hospital Utility Project) test and Act 55 have been met. These elements are essential to prove that an institution owning the property is a purely public charity, and what they are using the property for is a valid exempt use.

When a property owner feels that their parcel should be exempt from taxation, they must file an appeal and present their case to the Board of Assessment Appeals/Assessment Revision (the Board). The Board has the responsibility of making sure that all of the qualifying factors are met before granting exemption. If the Board does not grant the parcel exempt status, the appellant has the right to appeal to the Court of Common Pleas. If the court orders the property be placed in exempt status, be sure to make the proper notes in your files and/or CAMA system.

On the other hand, a parcel can be immune from taxation. A property that is immune from real estate taxation does not need to file an appeal and should be automatically placed in exempt status upon presentation of the deed. A note should be placed in the file explaining the reason that the exemption (immunity) was determined. All property owned by the federal government, Commonwealth of Pennsylvania and any of their agencies or authorities are beyond the power of political subdivision taxation and are, therefore, immune from taxation.

Immunity means the parcel cannot be taxed where as exempt status is granted by the Board upon proof that the parcel meets all the criteria needed to be declared exempt.

Some of the programs we administer have a degree of exemption as part of the program. A parcel that is in the KOZ program (Keystone Opportunity Zone), and its extensions, are not only exempt from real property taxes for a period of time but also a number of other state and local taxes. This state-run program is designed to encourage economic development by eliminating certain state and local taxes within specific underdeveloped and under utilized areas. The KOZ exemption is on the total value of the parcel or part of the parcel dependent upon the geographical location of the property which is determined by the Commonwealth.

LERTA (Local Economic Revitalization Tax Act) is a program similar to KOZ; however, there are important differences. It allows a county, borough, township, industrial district or school district to elect to participate in this program, tax exemptions may be based on actual improvement costs or uniform maximum cost

Continued on page 4

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President's Message

Happy New Year!

I hope everyone enjoyed the holidays. I know it is a whirlwind once Thanksgiving ends!

It was nice to see those who attended the Fall Conference at the Lancaster Marriott at Penn Square in November. First, I would like to thank Terry Cochran and Lori Lawyer for all their hard work organizing our conferences; they do a fantastic job, and thank you to all of our sponsors and speakers for making the Fall Conference a huge success.

I wanted to thank all the AAP committee chairs and members for working hard on the upcoming changes.

For those of you who are considering joining the Board of Governors as a representative of your chapter and then eventually a board member, please see the breakdown of the AAP Committees and Chairs on page 6.

Please reach out to any of the chairpersons should you have an interest in becoming a committee member. We are always looking for fresh perspectives and ideas and would welcome you and your participation.

Our Policies and Procedures Committee is working diligently on updating our By-Laws. The committee plans to have these changes voted upon at a special membership meeting in late winter/early spring. Please watch for meeting notifications in early 2023 and plan to participate in the meeting. Our association is stronger when everyone gets involved!

I wish you all a very happy New Year!

Jenn

Jennifer K. Pettina, CPE
Centre County
AAP President

Instructors Needed!

If you're a licensed CPE and have ever thought about teaching for the AAP, our Education Co Chairs would love to talk with you about that opportunity!

- We're looking for instructors for CPE classes, conferences and chapter meetings.
- The AAP will assist new instructors in creating outlines, organizing materials and training to become an instructor.
- Please contact JR Hardester or Michelle Mack to get more information!

In partnership with the County Commissioners Association of Pennsylvania

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 likely have embarked upon a new year – a year filled with many new challenges and many new learning opportunities. In addition, a new legislative session will commence in January 2023. Therefore, it seems appropriate to review some highlights from the 2021/2022 Session.

Overall, the following legislation was introduced: 2826 House bills, 234 House resolutions, 1292 Senate bills and 389 Senate resolutions. From this small tsunami of activity, 52 House bills and 19 Senate bills were assessment or tax claim-related and four were ultimately enacted/approved.

Act No. 33

(HOUSE BILL 264)

Approved 6/30/2021

This amendment requires a pre-registration process for all potential bidders prior to public tax sales. Name, address and telephone number will be required of every applicant, including all officers of a corporation, LLC, etc. In addition, applicants have to sign an affidavit stating they have no outstanding tax or municipal utility bills anywhere in the Commonwealth. Tax claim bureaus are also required to provide a list of registered bidders to all municipalities prior to the sale.

Act No. 41

(SENATE BILL 477)

Approved 7/7/2022

This amendment strengthens 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. It also sets definitions for "normal regular repairs" and increases the dollar threshold for which "substantial improvements" performed with a permit must be reported.

Act No. 57

(HOUSE BILL 430)

Approved 7/11/2022

This amendment waives the 10 percent penalty during the first year of ownership if the new owner(s) did not receive their tax bill. The property owners will pay the full amount of the property taxes due and present a copy of their deed to prove their date of purchase.

Act No. 58

(HOUSE BILL 581)

Approved 7/11/2022

This Act allows local tax authorities to pass ordinances or resolutions which benefit "low income" homeowners by refunding or forgiving the part of their real property tax liability attributable to a tax rate increase occurring after the ordinance passed. It also allows tax authorities to incentivize the creation and improvement of affordable housing in deteriorated areas by providing tax exemptions.

Wishing each of you a productive and prosperous new year!

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AAP Journal

The AAP Journal is published four times a year.

Deadline for the Spring 2023 issue is March 2, 2023.

Article submissions are welcome.

Please send to:
Terry Cochran, AAP Executive Director

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Tax Immunity

Continued from page 1

set by municipal governing bodies for a period not to exceed 10 years. The exemption must be on the improvement only, not the land.

LERTA offers a potentially viable and effective tool for local governments to increase job opportunities as well as increasing the tax revenue needed to fund local government services. The act authorizes local taxing authorities to exempt determined industrial and commercial property, which meets required criteria. The exemption from taxes authorized by the act shall be upon the property and shall not terminate upon sale or exchange of property.

KOZ is a state program. There is not a lot of difference between participating parcels. LERTA, on the other hand, can differ greatly from one resolution to another.

Once accepted into the program, KOZ participants must apply to the state for exemption every year that they are in the program. Annual exemption is not automatic. The state must approve the qualification and exemption before you exempt the property for that particular year. LERTA is granted by resolution and can differ greatly from one political body to another. I strongly suggest that you read and reread the LERTA resolutions and since they can be lengthy, consider making a summary sheet as to each LERTA property's particular highlights for quick reference. LERTA resolutions can be complicated, make sure you analyze them with a fine tooth comb! Let your summary sheet be your guide to determine annual exemptions.

So to recap, if a property is owned by the federal government or the Commonwealth of Pennsylvania or one of their agencies or authorities, they are immune from taxation and do not need to file an appeal to be placed in exempt status. Churches, school district properties, hospitals and charitable organizations need to file an appeal to present their case to the Board who will make a decision based on the information provided by the appellant.

Program exemptions such as KOZ and LERTA are granted by the taxing bodies and need not appeal since they are taxable properties and only provided exemption by virtue of the programs for a limited period of time. Other programs such as the Disabled Veterans program also offer property tax exemption for a limited time based on the program's requirements.

Values are placed on all properties because it assures all county properties are taxed according to the same methodology (three approaches to value). Always watch sales and transfers of property. What is exempt today may not be exempt tomorrow!



AAP People & Chapter News

Send your news to Terry Cochran at *tcochran@pacounties.org* for the upcoming issue of the *AAP Journal*.

Our next deadline is March 2.

North West Chapter

The chapter has set the dates and times for their 2023 meetings and classes: April 14, June 9, August 18 and October 13. Class topics and instructors will be announced as they're confirmed.

Please contact Rita Yannayon at (814) 451-7619 or *ryannayon@eriecountypa.gov* for more information about any of these classes and registration.

The chapter is also pleased to announce its board for 2023 -

- President - **Janet Courson**, Crawford County
- Vice President - **Angie Tennies**, McKean County
- Secretary - **Tyler Lynch**, Crawford County
- Treasurer - **Nancy Zameroski**, Elk County

- Congratulations to **KateLynn VanHooser** from Erie County who has been elected as the chapter's representative to the AAP Board of Governors starting in July 1.

Jefferson County

The county is pleased to announce that **Kaylee Bickle** is the county's new chief assessor. Congratulations!

Additionally, the county's newest assessor is **Scott Wallace**. Way to go, Scott!

Lackawanna County

The county is pleased to announce their new field assessor, **Kelly Saar**. Welcome, Kelly!

Lehigh County

Congratulations to **Jamie O'Donnell** and **Ryan Aardewjin** who both passed their CPE licensing exams. Congratulations!

Luzerne County

Congratulations to **Steven Hahn** who recently passed his CPE exam! Good job, Steven!

Northampton County

Many of you may have heard that **Cheryl Johnson**, the county's former assessment manager, passed away on September 26. Cheryl had recently retired from the county in May. AAP has sent our sympathies to her family.

Susquehanna County

Congratulations to the **Patricia Leach** who has been promoted to senior field appraiser/deputy director by the county! Congratulations!

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Get Involved with the AAP!

The AAP has many very active committees that help shape the future of the AAP and work for policies that affect the assessment profession.

The Association also works hand in hand with the County Commissioners Association of Pennsylvania (CCAP) to assist them as they work with the legislature and other agencies to advance the interests of counties and assessment offices.

With a varied number of committees, the AAP has a committee that suits your interests. Please take a look at our committee list and reach out to the committee chair/co-chair to get involved. We look forward to seeing you at our next committee meetings!

Clean and Green
- Deb Crawford, Tioga County
- Cathy Voda, Wyoming County

Conference Planning
- Rita Yannayon, Erie County

Education
- Charles "JR" Hardester, Lawrence County
- Michelle Mack, Vision Government Solutions

GIS
- Jack Ostrom, Potter County

Government Information
- Jonathan Schuck, Chester County

IAAO Representatives
- Deb Crawford, Tioga County
- Charles "JR" Hardester, Lawrence County

Nominations
- Susan Miller, Adams County

Policies and Procedures
- Angelia Tennies, McKean County
- Mark Kellerman, Centre County

STEB Subcommittee
- Charles "JR" Hardester, Lawrence County
- Renee Reynolds, STEB

Tax Claim
- Holly Martz, Dauphin County
- Angelia Tennies, McKean County

Did you know that any AAP member in good standing can volunteer for a committee?





Zachary Stiglitz

CHIEF ASSESSOR
CLARION COUNTY

Past Counties: None

Overall Years in County Assessment: Just under three years

Years in Some Other Form of Assessment Business: Zero

First Job Ever: Installing underground pet fences for Pet Safe

Worst Job Ever: Never had a "worst" job

What Irritates Me Most in the Assessment Business Is: The lack of knowledge the public has about the entire process; always happy to help explain though!

My Biggest Challenge as an Assessor Is: Helping people understand the difference between assessed value and current market value.

Not Counting My Present Job, My Dream Job Always Was: Playing in the league! (the NFL)

If I Won Millions in the Lottery, I Would: Open a state-of-the-art gym in a warm climate.

Favorite Vacation Memory: Honestly, anytime I get to eat some crazy good food and relax with friends and family.

Favorite Food: Sushi

And Drink: Coffee - iced or hot

Favorite Movie: *The Longest Yard* (the one with Adam Sandler)

Funniest Assessment Story: I had a taxpayer basically tell me I was lying when I told him I was the chief assessor. He was unhappy about his assessment and wasn't a fan of the answers I was giving him. He asked to talk to the director. When I told him he was talking to the director, he guy told me to go get the real boss - LOL! It's probably because I was clean shaven and looked 18 at the time.

Most People Would be Surprised to Know: I'm a huge nerd for anime and Marvel superheroes.

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