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AAP Journal

ASSESSORS' ASSOCIATION OF PENNSYLVANIA

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Calendar

2024 Fall CPE Classes
CCAP Office, Harrisburg
Intro - September 9 - 13
Site - September 16 - 20
Cost - September 30 - October 4
Income - October 7 - 11

AAP Board of Governors' Meeting
Sheraton Pittsburgh Hotel at Station Square
November 20

AAP 2024 Fall Conference
Sheraton Pittsburgh Hotel at Station Square
November 21 - 22

AAP Board of Governors' Meeting
Via Zoom
January 19, 2025

2025 Spring CPE Classes
Intro – March 10 - 14
Site – March 17 - 21
Cost – March 31 – April 4
Income – April 7 - 11

AAP Board of Governors' Meeting
Kalahari Resorts, Pocono Manor
May 6, 2025

AAP 2025 Annual Conference
Kalahari Resorts, Pocono Manor
May 7 - 9

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

Can Artificial Intelligence Enhance Your Appraisal Intelligence?

John Valente,
Appraisal Regional Manager, Tyler Technologies

AI is ubiquitous. It's a seismic event radiating over our profession much like the advent of CAMA systems in the 1980's For years, valuation modelers have used time tested recipes and data ingredients to create the perfect valuation soup for reassessments. But, are there better recipes to produce fair and equitable assessments that more accurately reflect the motivations and decisions of the current real estate consumer? And, are there faster ways of developing models and validating sales? AI uses validated sales, and through the employment of Big Data, brings us variables we would rarely think of. In addition, it creates new valuation recipes at breakneck speeds that crackle like lightening. Its power would astonish Einstein, but is it a power we are ready to summon for reassessments?

Before summoning a new power such as AI in our profession, I believe we need to think of four axioms:

Never summon a power you cannot see
Never summon a power you cannot understand
Never summon a power you cannot explain
Never summon a power you cannot control

How is AI valuation different than traditional modeling such as built-up cost, comparable sales or MRA? Unlike traditional modeling which is based on the recipes of an expert using localized static data, AI valuation is the creation of valuation models driven by data using far ranging fluid data. In essence, AI valuation is an appraisal soup created not by a recipe but by the data. It really could easily be called "data soup." And as new data is added to the soup, the model or algorithms change to adapt to the new ingredients. One of the critical benefits of using AI is the inclusion of hedonic data such as distance to schools, retail buildings, highways walking trails etc. Before the data is added, AI requires the teaching of a goal that the algorithm will attempt to attain, such as IAAO performance standards. After teaching the IAAO standards, all kinds of data are added to the soup to create many algorithms running in an iterative process which results in an appraised value.

Can we see the algorithms, understand them, explain them, or control them? The algorithms are largely hidden in a "black box." We see the appraised value, the comparable sales, and perhaps even the adjustments, but we do not know the detail of the algorithm which produced the value, comparable sales, or adjustment. Therefore, we cannot see it, fully understand it, or explain it. We can control it by stopping the iterative process, adding new data or teaching new goals.

The IAAO has provided assessors guidance about using AI or Automated Valuation Models (AVMs) in two key documents:

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President's Message

Hello AAP Members,

I find it hard to believe that the first quarter of my term as the AAP President is already in the books. July brought AAP members together at the Board of Governors' and committee meetings in Harrisburg. The new slate of Board of Governors' representatives from each of the six chapters throughout the state joined the existing members and Executive Board to conduct the business of the AAP. I am grateful for each and every member who has stepped up to hold one of these positions because it's this kind of willingness to serve that makes the AAP such a benefit to all of its members. I was able to attend the CCAP Annual Conference in Gettysburg in August, and was honored to represent the AAP. It was interesting to attend committee meetings and hear the counties' elected officials discuss and make decisions on issues that we are also passionate about, including legislating solar farms and cyclical reassessments.

As the year moves along, we face changes. Summer is winding down, fall will be upon us at the end of the month, and students of all ages are back in school after a summer break. The shades of vibrant green foliage are beginning to change to gold, orange and red. Baseball season is winding down, and football season is upon us. Assessment offices are moving from a season of heavy data collection to gearing up for appeals season. Tax claim offices are gearing up for tax sale season. Reval companies are moving into various phases of reassessment projects.

Also changing for those seeking or already holding the Certified Pennsylvania Evaluator license is the requirement for a 15-hour USPAP course in addition to the 90 hours of CPE classes for new CPE candidates, and the Fair Housing training requirement for existing CPE licensees—both coming in 2025. The AAP's Education Committee is being proactive in planning for these requirements and will have more information soon.

As things change, one thing for all of us hasn't—the AAP Fall Conference! This year it will be held at the Sheraton Pittsburgh Hotel at Station Square in Pittsburgh on November 21 and 22. The Conference Planning Committee has put together a fantastic slate of educational opportunities which can provide those who are looking to complete mandatory continuing education hours with some very interesting options. I look forward to seeing all of you there!

Sincerely,

Rita

Rita Yannayon, CPE
AAP President

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 should 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.

Twenty months into the 2023/2024 Session, the following legislation has been introduced: 2501 House bills, 500 House resolutions, 1226 Senate bills and 318 Senate resolutions. Of these totals, 57 pertain to assessment-related matters and 18 pertain to tax claim-related matters.

Following is a summary of meaningful legislative activity subsequent to the prior Update as of June 5. I hope the first three items do not "throw you for a loop," so to speak:

Act No. 53 of 2024 (Senate Bill 219)

This amendment allows Pittsburgh the option of enacting a Longtime Owner Occupant Program (LOOP). The City is permitted to exempt or defer the property tax increases of longtime owner occupants in the neighborhoods most impacted by development. Only those increases in property taxes for longtime owner occupants that can be determined to be generated from the development pressure occurring in the targeted neighborhoods is subject to deferral or exemption. Owner occupants of 10 continuous years (five years if they received assistance in acquiring the property through a government or no-profit housing program) are considered "long term". It can be applied retroactively to November 6, 1984.

House Bill 788

This legislation would allow the city of Pittsburgh to establish a Longtime Owner Occupant Program (LOOP) without waiting for Allegheny County to adopt a LOOP ordinance. This would allow Pittsburgh to design a property tax relief plan based on years of home ownership and increases in property taxes due to property value increases. The city would be permitted to exempt or defer the property tax increases of longtime owner occupants in the neighborhoods most impacted by development and gentrification. Only those increases in property taxes that can be determined to be generated from development occurring in the targeted neighborhoods would be subject to deferral or exemption.

Passed 103-100 in the House on June 12, 2023 and currently in the Senate Finance Committee.

House Bill 2536

This constitutional amendment would make it possible for local taxing authorities in any Pennsylvania county to implement a Longtime Owner Occupant Program (LOOP) to give property tax relief to homeowners who have lived in their homes for at least 10 years by exempting or deferring property tax increases even if their home assessment values increase in future years.

Introduced August 15, 2024 in the House Finance Committee.

Act No. 48 of 2024 (Senate Bill 149)

This legislation amends the Real Estate Tax Sale Law to establish a county demolition and rehabilitation fund in each county. The governing body of

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AAP Journal

The AAP Journal is published four times a year.

Deadline for the Winter 2025 issue is December 6, 2024.

Article submissions are welcome.

Please send to:
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Legislative Update

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a county may, by ordinance, impose a fee not to exceed $250 for a property being sold for delinquent taxes or pursuant to an action for mortgage foreclosure. A public notice shall be provided stating the establishment of the fee and its rate. The fund established may be used by the county, any not-for-profit or for-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.



Register Now for the AAP 2024 Fall Conference! November 21 and 22

Sheraton Pittsburgh Hotel at Station Square

Come join your fellow assessment professionals and industry exhibitors in the newly renovated Sheraton along the waterfront in the amazing City of Pittsburgh!

Registration is open on the AAP website - *www.paassessors.org*.

REMINDERS: **Online registration for classes ends on November 13.**

Hotel reservation deadline is 4 p.m. on October 20.



Warhol Bridge

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Pittsburgh Skyline

Photo credit - JP Diroll



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AAP People & Chapter News

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

Our next deadline is December 6.

Bucks County

Congratulations to **Bruce Witt** as he joins the county as chief appraiser! Bruce was formerly with Philadelphia County and Tyler Technologies. Glad to have him on board!

Carbon County

This month the county said, "good-bye" to chief assessor **Pamela Bauchspies**! She retired on September 13th. Congratulations to her; we wish her a long and happy retirement!

The county's new chief assessor is **Nate Kmetz.** Congratulations!

Dauphin County

Congratulations to the county's latest CPE, **Jonathan Stupak**!

Elk County

The county has a new CPE - **Irene Shutters.** Congratulations, Irene!

Erie County

The county's newest CPE is **Matthew DeSanctis**! Congratulations!

Monroe County

The county has announced that Chief Assessor **Cindy Treible** is retiring from the county on November 15 after 35 years.

Cindy took her CPE exam in August 1992. She has been very active in her chapter, most recently as their education chair, and on the AAP board and conference planning and education committees. She is planning on spending a lot of quality time with her two beautiful granddaughters and taking vacations. We will miss you, Cindy! Congratulations on a well-deserved retirement!

The county is also saying goodbye to **Barb Keiper** who will be retiring in December. Barb received her CPE in July 2016 and has been with the county for 10 years. Congratulations, Barb! Enjoy your retirement!

Northampton County

Congratulations to **Richard Lopez** and **Makila Brown** who passed their CPE exams!

Warren County

The assessment office has a brand-new CPE - **Barb Robbins** passed her exam! Congratulations!

AAP News

The AAP would like give a shout out to our newest CPE precertification class instructors - **Rachael White** (York County) and **Nick Angiolieri** (Vision Government Solutions). Nick (Cost Approach) will be a fully-certified instructor after the Fall 2024 classes and Rachael (Intro) will be fully certified in Spring 2025.

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Artificial Intelligence
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"A Review of the Methods, Applications and Challenges of Adopting Artificial Intelligence in the Property Assessment Office" IAAO Journal of Property Tax Assessment & Administration Volume 19 Issue 1 2022

"The Standard on Automated Valuation Models (AVMs)" IAAO 2018

Both documents stress the importance of transparency and the need for documentation when using AI valuation. In a recent conversation with Richard Borst PhD (Senior Research Scientist for Tyler Technologies) he went so far as to say to me, "It's not an appraisal unless it's transparent."

How well does AI work? I tested the efficacy of AI recently against traditional modeling in three communities in New England. I used Portland ME, Windsor Locks CT, and Wethersfield CT.

AI won the speed test against traditional modeling by valuing 40,000 single family homes in one hour or 667/minute. The traditional modeler took roughly (5) five weeks or 3/minute. In all cases, traditional modeling and AI met all IAAO statistics tests for Assessment Sales Ratio (ASR), Coefficient of Dispersion (COD) and Price Related Differential (PRD). The AI models had the lowest CODs compared to traditional modeling. AI did fail a number of Price Related Bias (PRB) tests indicating a problem with regressivity.

Does it enhance our profession? Absolutely. Should we summon its power? I think four things need to occur before we fully summon its power.

1. Additional case studies to determine its accuracy, validity and reliability.
2. Increased assessor education regarding AI.
3. Continued AI training.
4. Development of documentation.

I encourage all of you to explore and test this powerful, seismic tool. It's not quite ready to produce final values yet, but it is ready to enhance your appraisal skills.

This article was based on an IAAO thought leader presentation entitled "How can I enhance my appraisal intelligence with artificial intelligence" delivered by John Valente on August 27, 2024. A summary of the presentation along with the case study statistics and a survey regarding how assessors feel about AI can be found on his LinkedIn page.

Fourth Annual Local Government Symposium

Save the Date!

October 24, 2024

Registration will be out shortly. AAP will send a notice to all counties.

In the meantime, if you have any questions, please contact Julia Frey with the Local Government Commission at *jfrey@palegislature.us*.







Catherine "Cathy" Voda

CHIEF ASSESSOR/TAX MAPPER
WYOMING COUNTY

Past Counties: N/A

Overall Years in County Assessment: 37 Years

Years in Some Other Form of Assessment Business: N/A

First Job Ever: Waitress

Worst Job Ever: Really, NONE – I have had two (2) jobs my entire life. I worked at the Pink Apple as a waitress/manager, and working for Wyoming County.

What Irritates Me Most in the Assessment Business is: Finding a building or addition that's been on a property for years and having the landowner argue, "How dare you!" or "You have that on already!!"

My Biggest Challenge as an Assessor is: Constantly struggling to get the powers-that-be to understand the importance of our jobs, the importance of a well-trained staff, and the importance of just compensation for the hard work and commitment to the county. Too many times in the assessment community, we are losing valuable workers due to lack of pay.

Not Counting My Present Job, My Dream Job Always Was: HAHA on the "not counting my present job." You know I'm not really sure, perhaps working with the elderly (although, I am one of those older people now, shhhh).

If I Won Millions in the Lottery, I Would: Quit my job, give everyone their walking papers at my campground, and build a mini compound for me and my family.

Favorite Vacation Memory: Canada trips with my mom, dad, brothers and sister.

Favorite Food: Tough one, but I'd say a good pizza.

Favorite Drink: Pretty much all I drink is coffee in the AM and water.

Favorite movie: Con-Air

Funniest Assessment Story: I once had a man come into the office and inform me that I "ruined his life" because we increased his assessment. I immediately took a real serious position and politely stated, "Sir, I can take responsibility for ruining a lot of peoples lives, but I am not responsible for ruining yours." He took a minute and said, "You are correct," and left the building.

Most People Would be Surprised to Know: In 1977 I was a member of the PA State Softball Champion Team from Tunkhannock PA. AND .... I don't like Mondays!!

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