

## **MEETING OF THE LOCAL GOVERNMENT COMMISSION**

**Wednesday, June 15, 2016**

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The meeting of the Local Government Commission was called to order by Senator John Eichelberger, Jr., at 8:45 a.m. in 14 East Wing–Main Capitol Building, Harrisburg, Pennsylvania, with the following individuals present:

### **MEMBERS**

**Senator John H. Eichelberger, Jr., Chairman**  
**Senator Thomas J. McGarrigle**  
**Senator Scott E. Hutchinson**  
**Senator John P. Blake**  
**Representative Chris Ross**  
**Representative Mauree Gingrich**  
**Representative Kate Harper**  
**Representative Mary Jo Daley**

### **STAFF**

**Philip H. Klotz, Executive Director**  
**David A. Greene, Assistant Director-Legal Counsel**  
**Danette H. Magee, Research Associate**  
**Mark Bogush, Legal Counsel Intern**  
**Karen S. Bear, Secretary**

### **GUESTS**

**Lee Derr, Senator Eichelberger's Office**  
**Justin Leventry, Senator Hutchinson's Office**  
**Nathan Akers, Senator Hutchinson's Office**  
**MaryAnn Nardone, Legislative Budget and Finance Committee**  
**Rob Gaertner, House Local Government Committee (R)**  
**Tommy Miller, House Local Government Committee (R)**  
**Ashley Sheaffer, House Urban Affairs Committee (R)**  
**Lisa Schaefer, County Commissioners Association of Pennsylvania**  
**Amy Sturges, Pennsylvania Municipal League**  
**Karey Molnar, Pennsylvania Municipal League**  
**Ron Grutza, Pennsylvania State Association of Boroughs**

As the first order of business, the Members discussed the minutes of the May 18, 2016, business meeting, which were unanimously approved on a motion by Senator McGarrigle and a second by Representative Ross. The financial report for the month of May 2016 was presented, and a detailed explanation was given by the Executive Director. The financial report was unanimously approved on a motion by Representative Ross and a second by Senator McGarrigle.

Senator Eichelberger welcomed Mark Bogush to the meeting. Mr. Bogush is joining the Commission staff this summer as a legal intern. As a third year student at the Commonwealth campus of Widener University School of Law, Mr. Bogush will, among other things, assist Commission staff in updating the *Pennsylvania Legislator's Municipal Deskbook*.

The Executive Director introduced Research Associate Danette Magee, along with Lisa Schaefer of the County Commissioners Association of Pennsylvania (CCAP) and Dr. Mary Ann Nardone of the Legislative Budget and Finance Committee, who updated the Members on assessment reform initiatives that have occurred from 2001 to the present. Ms. Magee explained that the Assessors' Association of Pennsylvania (AAP), which is an affiliate of CCAP, formed an Assessment Reform Committee in 2001. The AAP charged the committee with creating a legislative proposal that would consolidate three Pennsylvania major assessment laws, along with statutory provisions from other laws relating to property assessment, as it relates to counties of the second class A through the eighth class. Legislation was introduced by the Commission which became Act 93 of 2010, the Consolidated County Assessment Law.

Ms. Magee explained that a report resulting from House Resolution (HR) 334 of 2009, completed July 2010, recommended, among other things, amending the State Constitution to: (1) permit properties to be treated as separate classes, such as commercial vs. residential, and (2) allow counties to conduct a partial reassessment or selective reassessment of areas of a county or classes of property, as needed. For the HR 334, other states including Maryland, West Virginia and Ohio were examined to ascertain effective reassessment solutions. Several recommendations promoted by the HR 334 report are in various stages of completion.

In 2009, the AAP established the Assessment Law and Legislative Task Force Committee to address needed reforms relating to data collection and generation by the State Tax Equalization Board (STEB) within the Department of Community and Economic Development (DCED), as well as other assessment-related issues. Members of the Task Force Committee include Ms. Magee and Dr. Nardone. The ongoing Committee has completed revising sales validation codes and has begun the development of uniform standards for county reassessment contracting and the development of a self-evaluation tool for counties to use to help determine when a reassessment is warranted.

HR 343 and HR 344 of 2011 established two task forces to examine the issues identified in the HR 334 report relating to property valuation and reassessment standards, as well as issues relating to STEB. A report was completed in May 2012 that offered various recommendations, including:

- (1) Embracing the HR 334 recommendations including the development of a set of uniform standards for county reassessment contracting, an operations manual for counties, and a self-evaluation tool for counties to determine when a reassessment is warranted;
- (2) Developing criteria and procedures for data submission by the county to STEB and verification by STEB (completed in part);
- (3) Addressing insufficient sample data, and assuring and disclosing that the sample data relied upon by STEB to develop a county's performance measures during a reassessment are representative of the bulk of the county's property inventory; and
- (4) Determining the viability of creating a uniform training program for individuals and organizations collecting the data that are provided to the county assessor.

STEB was consolidated into DCED by Act 2 of 2013. Along with the transfer of STEB, four recommendations from the HR 334 report and the Task Forces were included in the amendatory act, including:

- (1) Create an operation's manual, in consultation with CCAP and AAP, to be utilized by counties when completing a countywide reassessment or when valuating property;

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- (2) Create and maintain a centralized and standardized statewide database for counties to utilize, and report to the board all property values and data as required by the board (completed);
- (3) Develop statewide training programs for any person employed to collect, compile, compare or handle data associated with the valuation of any property for purposes of reassessment valuation within the Commonwealth (excluding county assessors who are already trained and certified via the Assessor’s Certification Act); and,
- (4) Develop standards on contracting for assessment services in consultation with CCAP and AAP, taking into consideration the standards published by the International Association of Assessing Officers.

DCED, at the direction of the Governor and the General Assembly, established the STEB Blue Ribbon Committee to facilitate revisions to the operations and protocol of STEB as identified in the HR 334 report and the Task Force reports. To date, the Blue Ribbon Committee has completed work with a private consultant, under contract with DCED, to review the methodology used by STEB to calculate the county common level ratio (CLR) and to determine whether the CLR is calculated in a manner consistent with International Association of Assessing Officers standards and is the most representative indicator of assessment level in each county. Also, private national consultant, Alan S. Dornfest, had completed a study and released a report on June 6, 2014, which also made various recommendations.

Ms. Magee reported that most of the recommendations have not been implemented by STEB to date but was apprised that STEB hopes to address the suggestions in the near future. Ms. Schaefer and Dr. Nardone echoed Ms. Magee’s analysis with Ms. Schaefer adding that tax reform is and has been a main issue for CCAP for several legislative sessions and that funding for reassessment is an ongoing issue. Representative Ross opined that since the subject matter is so technical that the Commission should continue its involvement, considering the staff turnover at STEB. Representatives Daley and Harper indicated their interest when the Executive Director proposed that a few legislators form a working group with the Commission staff’s assistance to possibly help effectuate the process of modernizing reassessment in Pennsylvania. There was a general consensus among Commission Members to pursue a working group.

The Executive Director requested the Members’ approval to meet with the Deputy Secretary of Property Management of the Department of General Services to inquire as to the availability of office space in the Capitol Complex. The Commission must give a 6-month termination notice if it plans to relinquish its current office space. The 6-month notice deadline is January 1, 2017.

As the last order of business, the Director reminded the Members that the next monthly business meeting will be Wednesday, July 13, 2016, at 8:45 a.m. in Room 14 East Wing-Main Capitol Building. Notification of the meeting will be sent to the Members’ Capitol and district offices.

The meeting adjourned at 9:20 a.m.

ATTESTED: \_\_\_\_\_  
June 20, 2016