

**MEETING OF THE LOCAL GOVERNMENT COMMISSION ASSESSMENT REFORM  
TASK FORCE**

**Monday, June 4, 2018**

The meeting of the Assessment Reform Task Force was called to order by Senator John H. Eichelberger, Jr., at 10:00 a.m. in Room 461 Main Capitol Building with the following individuals present:

**MEMBERS**

Senator John H. Eichelberger, Jr., Chairman  
Representative Kate Harper  
Representative Mary Jo Daley  
Renee Reynolds, State Tax Equalization Board  
Doug Hill, County Commissioners Association of Pennsylvania  
Joan Righter Price, Assessors' Association of PA  
Charles Hardester, Assessors' Association of PA  
Maryann Nardone, Ph.D.  
Philip H. Klotz, Local Government Commission Executive Director  
David A. Greene, Local Government Commission Assistant Director-Legal Counsel  
Danette H. Magee, Local Government Commission Research Associate  
Karen S. Bear, Local Government Commission Secretary\

**GUESTS**

Deb Crawford, Chief Assessor/Tax Claim Director, Tioga County  
Josh Zeyn, Assistant Chief Assessor, Tioga County

As the first order of business, the minutes of the April 16, 2018, Local Government Commission (LGC) Assessment Reform Task Force meeting were unanimously approved on a motion by Representative Harper and a second by Representative Daley.

Senator Eichelberger welcomed everyone to the meeting and acknowledged those individuals who served on the Assessors' Association of Pennsylvania (AAP) Self-Evaluation Guide Subcommittee, most notably Subcommittee Chairperson Deb Crawford, Chief Assessor/Tax Claim Director, Tioga County, and President of the AAP, and Josh Zeyn, Assistant Chief Assessor, Tioga County, and LGC staff member Danette Magee. The Subcommittee's members have focused on developing a framework of measures that may help guide a county in planning for and determining when a countywide reassessment is warranted.

Ms. Magee gave introductory comments by clarifying that the Self-Evaluation Guide is different from other Task Force work products in that the Guide is neither legislative nor a template from which a county may form other internal assessment-related documents. Instead, the Guide is meant to provide county commissioners or their equivalent officers, county assessors and other county officials and employees and the public, with a one-stop compendium on the reasons for periodic review of the status of an assessment system and the broad strokes of how that review may be conducted. Determining the necessity of a countywide reassessment is not only a highly technical and statistical endeavor, but under Pennsylvania laws it is an inherently local decision based on multifaceted local considerations, such as the county's

## **MEETING OF THE LOCAL GOVERNMENT COMMISSION ASSESSMENT REFORM TASK FORCE**

**Page 2 - Monday, June 4, 2018**

population, property inventory, home values, property market stability, economy and industries. Counties also differ in their technological capabilities, staff complement, training and expertise. Because of these differences, the dynamics that influence property values will vary from one county to another. Consequently, the Guide is not intended to answer whether a reassessment is appropriate for any county, but is instead more of a “toolbox” of information to assist counties in conducting a self-evaluation for purposes of reaching such a conclusion.

Ms. Magee further explained that the Guide is divided into several sections. The first portion of the document, pages 1 through 12, contains an overview of the importance of assessment self-evaluation and the diverse considerations, questions and observations that such an evaluation entails. Numerous appendices provide additional information relating to, among other things, constitutional uniformity of taxation, statistical considerations when conducting and interpreting ratio studies, and ratio study standards, as well as an overview of planning and conducting a reassessment. Like the Model Request for Proposal (RFP) and Contracting Guidelines for County Assessments, this handbook also contains certain comments in bold blue brackets. Those comments are intended to offer further guidance to county officials and staff.

Ms. Crawford continued the presentation by thanking the Chairman, Members of the Task Force and the LGC for inviting AAP to participate in the project. Additionally, Ms. Crawford thanked the Self-Evaluation Guide Subcommittee members for their work and dedication to the project. 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 Subcommittee concluded that a single statistical standard or measure is difficult to develop for the entire state. Pennsylvania is among a handful of states that does not require cyclical reassessments. In fact, a countywide reassessment is almost generational for most counties and property owners. Unfortunately, lengthy intervals between reassessments can lead to large shifts in the property tax burden. Counties often fail to regularly perform self-evaluation tasks or conduct ratio studies. The Subcommittee prepared this handbook to promote greater understanding and dialog among county officials and staff for the purpose of advancing fair and accurate property assessments. The objective of this informational “toolbox” is to encourage counties to conduct a self-evaluation of assessment and assist them in establishing guidelines as to when it is appropriate for a reassessment.

Mr. Zeyn gave a comprehensive summary of the Self-Evaluation Guide by starting with the section that describes the role of the county governing body and assessment office in property valuation and assessment. Unlike other states, Pennsylvania does not have a state oversight agency with a direct role in property valuation and assessment, or with a supervisory responsibility to monitor assessment performance. This responsibility falls directly on each county. Deciding when to undertake a reassessment, how it is accomplished, and how often it occurs are all choices made by the county governing body. The only exception to this is when the courts order a reassessment based on a uniformity challenge. The Guide also addresses market value changes and encourages the county governing body and the assessment office to periodically evaluate compliance with constitutional uniformity requirements. Many changes in market value that are attributed to various market trends and factors cannot be addressed unless a county undertakes a countywide reassessment.

## **MEETING OF THE LOCAL GOVERNMENT COMMISSION ASSESSMENT REFORM TASK FORCE**

**Page 3 - Monday, June 4, 2018**

Page 5 of the Guide outlines trends and factors that may influence the need for a countywide reassessment, such as changes to physical characteristics of properties, economic fluctuations or business cycles, social trends and governmental factors.

Page 6 explains that the volume of assessment appeals by property type and concentration can provide an indication of property valuation and assessment concerns. Various administrative factors similarly can influence the accuracy and equity of assessments, including inaccurate property records and inconsistent assessment practices. A lengthy time lapse since the last reassessment may result in larger shifts in market values, lead to large property tax shifts, and result in a greater cost to the county when it finally undertakes a reassessment. Shorter intervals in between reassessments can significantly reduce reassessment costs, and reduce the cost to the taxpayers. Any shifts in the tax burden due to changing market values are spread out over time.

Pages 8 and 9 analyze the absence of routine data analysis or ratio studies to monitor assessment performance. The International Association of Assessing Officers (IAAO) recommends that ratios studies should be conducted annually, regardless of how often a county conducts a reassessment. An annual ratio study may allow counties to identify and address uniformity and equity problems before they become too serious. If a county has not had a recent reassessment, county officials may want to conduct a baseline ratio study to determine the current level of assessment, and comparability of assessments across property types and neighborhoods, to ascertain if problems may exist. This information will help the county decide whether corrective actions are necessary, such as follow-up studies or planning for and initiating a reassessment.

Page 10 evaluates a county's readiness to conduct an assessment. If a county determines that there is a need for a reassessment, some key factors that will influence a county's ability to complete a reassessment are staff, property data and technological tools, including a computer assisted mass appraisal (CAMA) system, which is a tool that mass appraisers and assessors use to collect, manage and value real property for ad valorem tax purposes. Moreover, the most important readiness factor is county official support to ensure the success of the project.

Mr. Zeyn continued his review by explaining that the remainder of the Guide consists of various appendices that are dedicated to legal, statistical and analytical, planning, organizational and training topics.

Appendix C is an overview of sales ratio studies. It reinforces the importance of conducting ratio studies by providing examples of uniformity and equity problems, while also introducing the various statistical measures recommended by the IAAO that are used to test and evaluate assessment performance. These statistical measures are heavily dependent upon adequate valid sales that are representative of the property inventory in the county.

Appendix D provides details about the major operational steps in conducting ratio studies as identified by the IAAO. Ratio studies will vary in detail depending on their purpose, scope, data availability and other county considerations. The Subcommittee included relevant information and some suggestions for Pennsylvania counties to consider when conducting ratio studies. The two main ratio study purposes included are a baseline ratio study, which is

**MEETING OF THE LOCAL GOVERNMENT COMMISSION ASSESSMENT REFORM  
TASK FORCE**

**Page 4 - Monday, June 4, 2018**

recommended for a county that has not had a recent reassessment, and an annual ratio study that is to be performed after a county completes its next reassessment.

Appendix E details ratio study standards. Counties are encouraged to establish ratio study standards with the overall objective to provide a systematic means for assessors to improve and standardize assessment office operations. Again, these standards are advisory in nature, and, other than the constitutional requirements for uniformity, assessment performance monitoring is a county function. The Self-Evaluation Guide Subcommittee is hopeful that each county will conduct a baseline ratio study within the next three years to gauge the assessment level and uniformity for that particular county.

Appendix H details how to plan and conduct a reassessment. Various types of reassessments, contracting standards/financing, and public relations information are provided in this section.

Appendix J highlights the importance of education and training for all of those involved in maintaining fair and equitable property assessments.

Mr. Zeyn concluded his presentation by stating that it is the hope of the Subcommittee that this Guide will be a starting point and that over time this “toolbox” of information will be further developed to a level similar to guides and resources available to assessors in other states.

After a brief question and answer period, the Task Force Members unanimously decided on motion by Representative Daley and a second by Representative Harper to approve the Pennsylvania Property Assessment: A Self-Evaluation Guide for County Officials document and present it to the LGC Members for their consideration at the June 13, 2018, business meeting.

Senator Eichelberger concluded that, with completion of the Guide and achievement of the other Task Force objectives, the Task Force’s work is complete and this is the final meeting. On behalf of the Local Government Commission, he thanked everyone for their participation and acknowledged them for a job well done. Representative Harper and Representative Daley endorsed his sentiments.

The meeting adjourned at 10:40 a.m.

Attested: \_\_\_\_\_  
June 11, 2018