

The HR343 (Uniform Standards) task force is charged with:

Develop a set of uniform standards for county reassessment contracting.

November 9, 2011:

1. Mr. Waggoner – Mandate a set of guidelines as to how assessment companies evaluate information – whether cost or sales approach is needed to analyze 2 or 3 years of sales.
2. Mr. Guydish – On this point he suggested that a collaborative effort between STEB and the Assessors Association resulting in a solution which could then be given to the legislature for their consideration.

Other Suggestions:

1. Consider requesting the Assessors' Association of Pennsylvania and others to review contracting standards for mass appraisal companies developed by other states in order to develop a model contract for the PA County Commissioners Association to review and endorse.

LBFC suggestions:

1. Conflict of interest prohibitions.
2. Bidding requirements, including the unbundling of hardware and software.
3. To find "actual value" of a property must consider using all three methods (cost, comparable sales and income approaches).
4. Require those familiar with local property markets to designate neighborhoods for mass appraisal models.
5. Public disclosure of the cost tables and methods used to value property by property type.
6. Require use of valid and sufficient data to arrive at changes in value.
7. Require ratio studies pre and post-implementation of new assessed values to test the level of assessment, uniformity and equity results of a mass appraisal.
8. Provide for the transferability of databases for subsequent use by the county.
9. Payment withholding provisions related to independent review of performance measures.

Develop standards for disclosing the county's system of property valuation and assessment.

LBFC suggestions:

1. Public disclosure of the cost tables and methods used to value property by property type.

Develop a self-evaluation tool for counties to determine when a reassessment is warranted.

November 9, 2011:

1. Rep. White – Hybrid approach. Reach a certain point for a certain number of years then they must reassess.
2. Rep. Freeman – Hybrid approach. 85% over a period of 3 years?
3. Ms. Price – Look at IAAO standards of ratio studies for guidance.
4. Ms. Price – The task force should consider a stratified ratio to replace the current common level ratio. (Stratified and weighted ratio?)
5. Mr. Guydish – A percentage of market value is a good measure since counties grow at different rates.

LBFC suggested factors that should be included:

1. The composition of the county's property inventory.
2. The methods used to establish and assign values.
3. Measures of substantive property inventory changes that would modify relative distribution of values (e.g., doubling the number of parcels in the county, major zoning changes, etc.).
4. Levels of assessment and variability in assessments for the county as a whole, for different geographic areas and for different types of property.

Recommend a standard to be used for a Statewide mandatory reassessment time frame.

November 9, 2011:

1. Rep. White – Hybrid approach. Reach a certain point for a certain number of years then they must reassess.
2. Rep. Freeman – Hybrid approach. 85% over a period of 3 years?
3. Mr. Guydish – A percentage of market value is a good measure since counties grow at different rates.
4. Ms. Price – Look at IAAO standards of ratio studies for guidance.
5. Mr. Waggoner – Should look at market value in counties based upon type of property and a 7-10 year assessment cycle.
6. Ms. Price – The task force should consider a stratified ratio to replace the current common level ratio. (Stratified and weighted ratio?)

Supreme Court:

1. For standards for uniformity they referenced Coefficient of Dispersion (COD) and Price Related Differential (PRD).

Present any other recommendations to improve the system of property tax reassessment in this Commonwealth.

November 9, 2011:

1. Rep. White – Need to ensure that School Districts do not exceed the statutory limitations on revenue windfall from property taxes.

2. Rep. Ross – Problem with different calculations for initial assessment and the appeal process.
3. Ms. Reynolds – Regarding Rep. Ross point, she stated that the problem is that there is only one CLR allowed under state law. She suggested that the task force at least look at the possibility of not only having a CLR by property type within the county but even looking at the municipality by property type.
4. Ms. Price – Stated that the Pennsylvania Supreme Court ruled that a stratified ratio in Pennsylvania can be used and added that the County Commissioners Association suggested that this should be used.

LBFC Suggestions:

1. Require school districts and other local governments to help fund county property valuation and assessment activities.
2. Designate a percentage (or set amount) of the state's realty transfer taxes to counties as grants for reassessment.
3. Amend the Constitution:
 - a. Provide for caps on individual property tax increase following reassessment.
 - b. Permit property to be treated as separate classes.
 - c. Provide for partial reassessment or selective reassessment of areas of a county or class of property.
 - d. Provide for an "acquisition value" system of property valuation.

The HR344 (Data Collection and STEB) task force is charged with:

Developing criteria and procedures **for data submission by counties to STEB** and verification by STEB to address insufficient sample data; and to assure and disclose that the sample data relied on to develop a county's performance measure during a reassessment is representative of the county's property inventory.

November 9, 2011:

1. Ms. Price – There is a need for STEB to develop uniform definitions and criteria to identify valid and invalid sales.
2. Ms. Price – A need for standard procedures when STEB reviews sales submitted by counties. Procedures for the handling of data submitted by electronic measure or manually.
3. Mr. Hardester – Be sure the trimming methods used by STEB do not skew the numbers.
4. Ms. Reynolds and Mr. Guydish stated that STEB is understaffed and needs more field staff in order more efficiently collect and maintain data.
5. Ms. Price – Also stated that STEB should have a statistician on staff or STEB should have access to a statistician.

LBFC Suggestions:

1. Create a state agency to value and assess all real property.

Developing criteria and procedures for data collection by those individuals or organizations conducting the **collection of the data to determine the current value of real estate** within a county and providing that data to the county assessor, including the viability of creating a uniform training program for individuals and organizations collecting the assessment data.

LBFC Suggestions:

1. Authorize a state agency to supervise county property valuation and assessment activities.

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E-MAIL: jknowles@pahousegop.com

TO: Assessment Task Force Members

FROM: Representative Jerry Knowles 

DATE: November 2, 2011

SUBJECT: Upcoming Task Force Meeting

The first meeting of the Task Force, created pursuant to House Resolutions 343 and 344, will be held on Wednesday, November 9, 2011, at 11:00 AM, in Room 60, East Wing.

Since these resolutions deal so closely with related aspects of our system of real property assessments, most of the activities of the Task Force will be conducted jointly.

I anticipate that this meeting will run roughly from 11:00 AM to 1:00 PM. It is my hope that the Task Forces will receive some basic information on the State Tax Equalization Board, general assessment data collection and county reassessment practices at this meeting. I also anticipate a discussion of further dates for Task Force meetings.

Since the Task Force members have such a strong background in the assessment process, it is my hope to move quickly to the issues to be addressed and the issuance of a report. Thank you for your willingness to participate in this process.

JK/tb

Hillard, Heather

From: Jerry Knowles [Jknowles@pahousegop.com]
Sent: Monday, November 28, 2011 11:27 AM
To: chardester@co.lawrence.pa.us; jahercik@fayettec.rba.com; mnardone@lbfc.legis.state.pa.us; jrighter@montcopa.org; Amy Gill; jstratton@pa.gov; rreynolds@pa.gov; Carl, Kathy; Center, Records; Neidlinger, Tamara; dhill@pacounties.org; bneuman@pahouse.net; John Fulton; jwhite@pahouse.net; pmundy@pahouse.net; Freeman, Robert; ssantars@pahouse.net; Chris Ross; Dana Alwine; Don Grell; Joseph Deklinski; Jessica Gray; Jerry Knowles; Kerry Benninghoff; Krystjan Callahan; Rick Saccone; Susan Boyle; Sherrie Rank; Tom Creighton; Tom Pyne; dimagee@palegislature.us; mgasbarre@palegislature.us; nwaggoner@perryco.org; Hannah.barrick@psba.org; dannyg1@ptd.net; zurick@ptd.net; ashuckrow@smggglaw.com; rmjunker@weisslawoffices.com
Subject: Assessment Task Force Meeting

The second meeting of the Task Force, created pursuant to House Resolutions 343 and 344, will be held on Monday, December 5, 2011, at 10:00 AM, in Hearing Room #3, Ground Floor, North Office Building. We will continue the work of the task forces at this meeting.

Please contact Tracy Baker, tbaker@pahousegop.com, with your attendance plans.

Again, thank you for your willingness to participate in this process.

Jerry Knowles
PA State Representative
124th Legislative District
(570) 449-7466

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Subject: Assessment Task Force Meeting - 12/12/11
Attachments: Task Force Charges – With Recommendations.docx

Please be advised, the third meeting of the Assessment Task Force will be held Monday, December 12, 2011, at 11:00 AM, in Room 60, East Wing.

As discussed in our last meeting, we want to continue to move the task force forward toward an end product. I would ask that all members of the task force please review recommendations we have been tasked to study that are contained in the Legislative Budget and Finance Committee Report and the suggestions offered by task force members at the November 9th meeting. It is our plan to go over each recommendation or suggestion and those on which we can reach a consensus will be included in the task force reports as recommendations. If each of you could choose at least three recommendations you feel are important to be included in the report this will help our deliberations.

If you have any further suggestions or approaches, please feel free to send them to the task force members for consideration.

Attachment:

Jerry Knowles
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