



The Role of STEB and Sales Validation

Assessors Association of Pennsylvania
2026 Spring Conference
May 7, 2026

Background and Functions

STEB's primary functions

Annual Market Values (July 1) for each municipality and S.D.

- Department of Education, Auditor General, and School Districts (funding purposes)

Mandated in 1982, **Common Level Ratio** (CLR)

- Annually measures assessments to market value sales for each county (July 1)
- Used in the County Assessment Appeal process **ONLY!!!!**
- Inheritance tax prior to 1982...suggested to use the PDR [Predetermined Ratio set by county for given year]

Over the years, STEB's market values and other ratio studies have been broadened to include:

- Cross County School Districts
- Auditor General's Fireman's Relief Fund
- Local library funding
- Private Charter Schools funding aids

Background and Functions

Everything starts at the county level and because of this, there are requested reports, information and data we need from the counties to complete the legislative mandate.

Counties obligation in the mandate is very clear which states, the duties *“shall” be to prepare, certify and electronically deliver to the Board by the 15th day of each month a list of **ALL** conveyances or other transfers of real estate or any interest in real estate, conveyed consistent with any procedures for excluding sales in accordance with section 1516.2 (2)”* recorded within the county during the preceding month.

In Section 2; it states, procedures for excluding sales data and how the procedures compare with the practices of the International Association of Assessing Officers (IAAO).

- The due dates STEB provides each month for the counties to complete their sales submission is already providing leniency from this mandate.
- STEB is incorporating more IAAO language and terms to provide an established best practices for a standardization of validating sales across the Commonwealth.

There is funding linked to this data that comes back to your local communities so please adhere to these best practices AT ALL TIMES!

Background and Functions

The Validation Process is **very important**, and the reliability of any valuation model or sales ratio study depends on the quality and quantity of its data.

- STEB encourages county assessors to verify sales using a Sales Verification Form or resources such as MLS or a realtor app...where possible
- STEB recommends all new Certified Pennsylvania Evaluators (CPEs) and county staff responsible to validate sales to attend a Sales Validation course offered by the AAP once each certification cycle or contact STEB for personal training
- All sales are reviewed, validated, and certified by the county – STEB pays for each sale submitted
- **ALL** sales are to be reported not just valid sales!

Sales Validation Process

5 Steps in the Sales Validation Process



Sample of a sales verification form

Check any factors that apply to this sale:

1. Special Factors

- Sale between immediate family members
Relationship _____
- Sale involved in corporate affiliates belonging to same parent company
- Auction Sale
- Deed transfer in lieu of foreclosure or repossession
- Sale by judicial order (guardian, executor, conservator, administrator, or trustee of an estate)
- Sale involved a government agency or public utility
- Buyer (new owner) is a religious, charitable, or benevolent organization, school or educational.
- Sale of only a partial interest in the real estate
- Sale involved a trade or exchange of properties
- Sale of convenience (corrects title; create a joint or common tenancy, etc.)
- Forced sale or sheriff's sale
- Land contract or contract for deed
- Sales of adjoining property
- NONE OF THE ABOVE

2. Check use of property at the time of the sale:

- Single Family Residence Agricultural Land
- Farm/Ranch with Residence Vacant Land
- Condominium Unit Apartment Bldg.
- Commercial/Industrial Other (specify): _____
- Land w/Mineral Rights _____

3. Did the sale include an existing business? Yes No

4. Was any personal property (such as furniture, equipment, crops, machinery, livestock, business franchise or inventory, etc.) included in the sale price? Yes No
If yes, please describe _____

Estimated value of all personal property items included in the sale price \$ _____

5. Does property contain a Manufactured Home?
Year _____ Model _____

6. Any changes in the property since January 1? Yes No
 Demolition New Construction Remodeling Additions
Date completed _____ Cost \$ _____

7. Was there a change in use for the property since January 1?
 Yes No
If yes, please describe _____

8. Were any delinquent taxes included in the sale price and assumed by the purchaser? Yes No
If yes, amount \$ _____

9. How was the property marketed? (check all that apply)
 Listed with agent Displayed "For Sale" sign
 Local Advertisement Offered, "word of mouth"

10. What was the initial asking price? _____

11. Days on the market _____

12. Method of financing (check all that apply)
 New loan from Financing Institution All cash
 Seller financing Assumption of existing loan(s)
 Trade of property: value \$ _____ N/A

13. Total Sale Price \$ _____ Closing Date _____

14. Was the sale influenced by any unusual circumstances?
 Yes No If yes, please describe

Print Name _____

Signature _____

Grantor/Seller Grantee/Buyer
 Agent Attorney/Closing Company

Print Form

Sales Chasing

IAAO identifies **Sales Chasing** as, *the practice of using the sale of a property to trigger a reappraisal of that property at or near the selling price.*

Let's be very clear...unless comparable unsold parcels are being reassessed in a similar method which we should know cannot be done unless it is countywide, then here in Pennsylvania, it is considered spot-reassessment. By adjusting any part of the assessment based on the sale which triggered this action...you are **SALE CHASING!** Feel free to flag for future reassessments but you should not be adjusting the assessment.

Examples:

- ❖ In EVERY single scenario, trying to maintain a “certain level of assessment” by determining a sale to be valid or not because its S/A Ratio falls within a certain ratio percentage range is **SALE CHASING!**
- ❖ Changing parcel characteristics, by updating certain subjective items like grade and condition, to achieve a value reflective of the sale or current market conditions is **SALES CHASING!**

Let the A/S Ratio fall where it is going to fall and ask yourself the two questions:

1. Validation – Is it an arms length sale?
2. Verification – Do the property characteristics reflect what sold?

Sales Chasing

Certain subtle and inadvertent acts of sales chasing by the assessor's office can misrepresent the assessment performance for the entire county and will disproportionately impact tax levies and local funding.

Some factors to consider:

- Clear guidelines in the assessment office when validating and verifying sales data to be uniformly applied
- Re-learn the market and jurisdictions
- Where possible, review of questionable sales should be done by the CAMA modeler/calibrator

Land Use Codes

Land Use Codes are extremely important for statistical measures such as stratification of data, CAMA model building and other weighted measurements.

- STEB requests counties to use the STEB’s Land Use Codes when reporting sales
- For Mixed Use properties, use the Land Use Code which best reflects its majority use **AT THE TIME OF SALE**

STEB Code

Property Type

IAAO Property Use Categories

1000	Residential
1100	Manufactured Home
1500	Seasonal Housing
2000	Lot (Less than 10 Acres)
3000	Industrial
4000	Commercial
5000	Agriculture (10 Acres or more w/ Building)
6000	Oil/Gas/Min
9800	Land (More than 10 Acres)

Single-Family Residential Property
Manufactured Housing – land or leased land
Single-Family – not primary or year-round
Non-agricultural – vacant residential use
Ind/Com
Ind/Com/Multi-Family - Income
Agricultural use
Special Use/Commercial
Non-agricultural land – relates to larger tracts

Validation Codes

*For additional information on validation codes; please refer to the Sales Validation and Submission Operations Manual on STEB's website.

STEB's Validation Codes

Code	Description
00	Valid
49/50	Valid Clean/Green
01	No Assessed Value
02	Family Transfer
03	Corporate Affiliations
04	Government
05	Charitable
06	Financial

Code	Description
07	Part Interest
08	Forced Sale
09	Multiple Parcel
10	Estate Sale
11	Land Contract
12	Auction
13	Date of Transfer
14	Time on Market

Code	Description
15	Corporate Relocation
16	Doubtful Title
17	Lease Purchase
18	Partial Assessment
19	Personal Property
20	Preferred Assessment
21	Duplicate
22	Other
23	Repository

Validation Codes

IAAO definition

Arm's-Length Transaction - A sale between a willing buyer and a willing seller that are unrelated parties, each of whom is reasonably knowledgeable about market conditions and under no undue pressure to buy or sell. Further defined in Ratio Study Standard; as a sale in which neither the buyer nor the seller acts under legal or economic compulsion, in which both parties are reasonably well informed, and in which both are primarily actuated by economic motives.

Open Market - A freely competitive market in which any buyer or seller may trade and in which prices are determined by competition.

As defined by the IAAO, Glossary for Property Appraisal and Assessment 3rd Edition, Revised and Approved September 2021

Internet Marketing - Property that sells on the Internet **and meets the criteria of being an open-market, arm's-length transaction should be included as a valid transaction in a ratio study.** Brokerage and realty firms are using the Internet as an additional method to advertise and market their inventory of property. the primary focus should be on whether the parties to the sale are informed buyers and sellers.

As defined by the IAAO, Standard on Ratio Studies, Approved April 2013 and Standard on Verification and Adjustment of Sales, 2020

Newspaper – is a method for marketing, if this is still a thing!?

Word-of-Mouth – this is a method of marketing prevalent in rural areas but must answer a list of verification questions.

Validation Codes

09/Multiple-Parcel: A multiple-parcel sale is a transaction involving more than one parcel of real property. These transactions present special considerations and should be researched and analyzed prior to being used for valuation or ratio studies. Regardless of whether the parcels are contiguous, any multiple-parcel sale that involves multiple economic units generally **should not** be used in valuation or ratio studies.

For modeling/calibrating your CAMA, if the appraiser needs to include multiple-parcel sales, it should be determined whether the parcels are contiguous and whether the sale is a single economic unit or multiple economic units. The sum of the appraised values for the parcels involved in the transaction should be compared to the total sale price (though IAAO Standards include this last sentence, it is not recommended by STEB).

When this code is used to invalidate the sale, **BE SURE** to **INVALIDATE ALL** parcels included in the sale!!!




Validation Codes

12/Auction: An auction where the seller is required to sell the property for whatever the bid is offered are known as absolute auctions and are always considered an invalid transaction.

Auction sales that have been advertised, well attended and the seller has a low bid clause are very often valid sales. The sale may tend to be on the lower end of the spectrum but nevertheless, it is a valid sale. If the sale is not an absolute auction, the seller can indicate the lowest bid that will be accepted for the property, or it will not be sold (right of refusal - bid with reserve). These auctions may be considered potentially valid transactions if all other criteria of an open market arm's length transaction are met.

50± ACRES/HOME AUCTION
Mt. Pleasant Twp. • Columbia County



- Central Columbia School District
- Remodeled Farm House/ Detached Garage
- Wonderful Country Setting
- Open & Wooded Acres

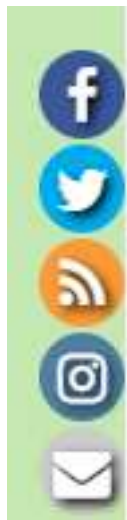
Auction Held on Site...
2134 St. Rt. 42, Millville, PA 17846
March 30th @ 12:00pm

Directions: From Millville take Rt 42 South towards
P...

I would like to thank the
family for being my owners.

ANCTIONSEER, LLC
But First It's Mine's Franchise
402123

See internet or call for terms and conditions or bidder's packet.

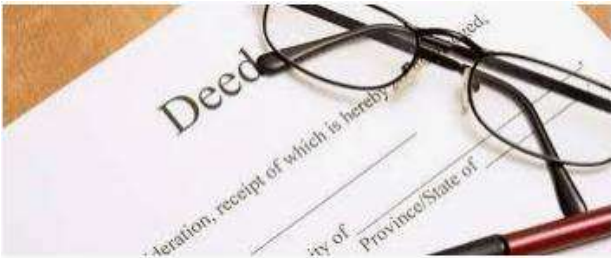


Validation Codes

13/Date of Transfer: This is the date on which the sale was closed or completed. Not all jurisdictions require recordation of deeds; therefore, the deed date should be considered the most reliable date of sale, not the recording date. If a copy of the deed is not available, the date on the sales verification questionnaire or some form of bill of sale should be used.

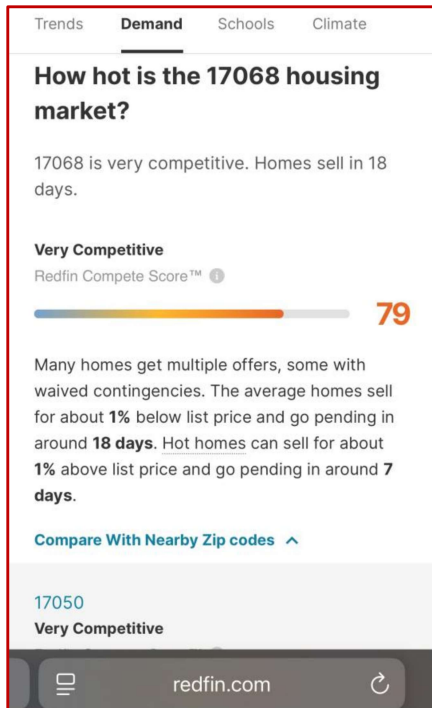
This code is used for older deeds that are not in the reporting year regardless of validity. Before March 1st try to create a separate “catch-all” file that can be uploaded with reporting year “stragglers.”

When reporting this for STEB, the Alteryx system will accept Code 13 with a deed year that is NOT the reporting year. If you use Code 13 with the current reporting year, it will error.



Validation Codes

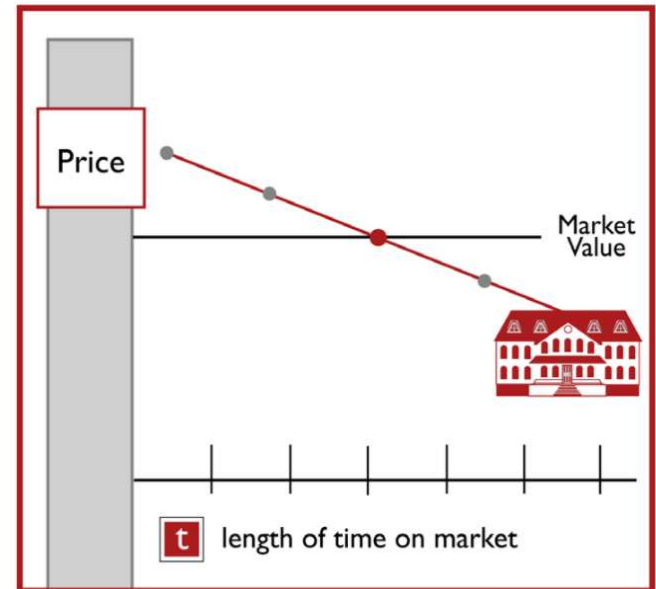
14/Time on Market: Sales of properties that have been exposed to the open market too long, not long enough, or not at all may not represent market value. The jurisdiction should monitor typical marketing time. The typical marketing time may be longer in a depressed market.



Redfin and Zillow are great at monitoring typical DOM.

- *As of July 2025, the national median DOM is 43 days.
 - *February 2026, increased to about 66 DOM.
- (*source from Redfin)

Example on left: zip 17068 shows 18 DOM and is for July 2025 but when checked as of March 2026, it increased to 24 DOM. "Hot homes" are pending in 7 days.



Validation Codes

18/Partial Assessment: Sales where the sale price includes the improvement, but the assessment office has not yet assessed the new construction are invalid for ratio studies.

Example: Sale Price 350,000

AV	Land	50,000
	Bldg.	0*
	Total	50,000

*Bldg. has not been picked up or assessed yet, but SP (deed) is for Land and Bldg.

CAMA sales report will show: SP 350,000 AV 50,000 but this is NOT a valid sale.

NOTE: if the Bldg. already exists at time of sale and it is a matter of the assessment office not getting out to the field to pick it up the permit on file; and can be field checked within a month. The sale can be held until the full value is place on the property and then submitted as a valid sale. Please pay careful attention to the Land Use codes when doing this. If the sale, as described in the example is on the tax rolls as a vacant LOT but once the full assessment is applied and it becomes a RESIDENTIAL, please be sure to update the Land Use Code for submission.

Validation Codes

Proposed New Validation Codes ~ THOUGHTS/FEEDBACK?

24:Renovated/Remodeled - Sale may be valid, but the assessment does not reflect the renovations completed.

The IAAO has similar guidelines on Property Characteristics which states:

5.6.3 Property Characteristic Changes Sales data files should reflect the physical characteristics of the property when sold. For ratio studies, if significant physical changes have occurred to the property between the date of sale and the appraisal date, the sale should not be included. The sale may still be valid for mass appraisal modeling by matching the sale price to the characteristics existing on the date of sale. For consistency in application, written guidelines should be provided as to what constitutes significant change. For example, an improvement of \$3,500 may not be significant for a property with a selling price of \$255,000 (1.4 percent) but is significant for a property selling for \$21,000 (16.7 percent).

My caution for Code 24:

- for counties which already have such low valid sales count, will this push the count lower, and we no longer have a substantial sample size to run statistics
- will 24 trigger a “welcome neighbor” action to cause the assessment to increase (i.e. “sale chasing”)
- do we look at IAAO’s 5.6.3 for a dollar amount to constitute a “significant” change, if so, what would be the criteria

25: County Board of Appeals – used at times when the BOAA may have decided on a value which was not necessarily according to all details being presented.

This appealed-changed value may have had a different result in the validity of a sale had the board not changed the value.

My thought for Code 25:

- The board got it wrong, and the value clearly does not reflect market valuations.
- When a board makes these changes, does this destroy the uniformity more if these sales are included?
 - Though you may not want call out your Board on this

Common Level Ratio

The Common Level Ratio (CLR) is a ratio that measures how a county's assessments compare with current real estate market valuations.

- For the multiplier, visit the Dept. of Revenue or convert the CLR [**100 ./.** CLR = Factor]

The ONLY use for the CLR is in the assessment appeal process. The CLR is applied *after* the Board of Assessment Appeals/Revisions establishes a fair market value, based on evidence by the appellant, to calculate a revised assessment value. The CLR is never used for any other purpose.

STEB currently uses the median along with the IAAO standard trimming method using the 3.0X IQR Procedure.



STEB website

<https://dced.pa.gov/local-government/boards-committees/tax-equalization-division/>

Under: [County Assessment User \(only\)](#)