



HOUSE COMMITTEE ON APPROPRIATIONS

2009-10 Legislative Session

FISCAL NOTE

SENATE BILL: 298

PRINTER'S NO: 2034
As Amended by A09287

PRIME SPONSOR: Yaw

FISCAL IMPACT SUMMARY	FY 2010/11	FY 2011/12
Expenditure Increase/(Decrease):		
Commonwealth Funds	\$0	\$0
Local Government Funds	See Analysis	See Analysis

OVERVIEW:

Senate Bill 298, as amended by Amendment #09287, amends the Pennsylvania Farmland and Forestland Assessment Act (P.L. 973 No. 319), also known as Clean and Green, with regard to preferential tax assessment of land for agricultural use and roll-back taxes.

This act would take effect in 60 days.

ANALYSIS:

This bill allows agricultural land with preferential tax assessment to maintain preferential status in cases where alternative energy systems established on that land are used to generate energy primarily used on that land.

Land subject to preferential assessment may be leased for the exploration and removal of gas and oil; extraction of coal bed methane; and development of appurtenant facilities (new roads, bridges, pipelines, and buildings). Roll-back taxes shall be imposed on portions of land devoted to removal of gas and oil; extraction of coal bed methane; and development of appurtenant facilities, excluding land devoted to subsurface transmission or gathering lines. No roll-back taxes shall be imposed upon a landowner for such activities conducted by parties other than the landowner.

Property subject to preferential assessment may be temporarily leased for pipe storage yards.

Fiscal Impact

There is no adverse fiscal impact on commonwealth funds since this bill does not create any new burdens or requirements upon the state government. This bill could increase local government revenues to the extent that owners of land with preferential assessments lease only portions of their land for extraction of gas, oil, coal bed methane, or pipe storage. It should be noted that although revenue could be generated, the amount would be less than the amount that could be generated if roll-back taxes would be due on the entire property with preferential assessments. The exact amount of revenue that could be generated cannot be determined at this time due to the fact that the quantity of land that might be devoted to such purposes cannot be predicted.

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House Appropriations Committee, (D)

DATE: October 5, 2010

General Note and Disclaimer: *This Fiscal Note was prepared pursuant to House Rule 19(a), and the elements considered and reported above are required by Section 5 of the rule. Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*