

Public Hearing Statement by Robert Hume to Pennsylvania House Agriculture and Rural Affairs Committee - July 15, 2008

Good Afternoon, my name is Robert Hume, I reside in the borough of Parkesburg located in the western end of Chester County. I want to thank the Agriculture and Rural Affairs Committee for allowing me to address the Clean and Green Program at today's hearing.

I am very pleased to be here today but also rather nervous as I feel what I say today can affect the adult residents and the children residing in the Octorara Area. How did I ever get in this position? I am a school director for the Octorara Area School District, a Member of the Chester County Department of Aging Advisory Council, Co-founder and Board Member of the Octorara Communities that Care. These are all volunteer positions and I love living in the area. Additionally, I am here because of a request from a friend, Representative Art Hershey.

I am here today to speak about Act 319, Clean and Green. When our legislators addressed the need to provide tax relief to the farm community, they recognized that unless they put something in place to make up the lost revenues that the relief the farm community would realize would become a burden for someone else. That burden fell directly onto the property owners of the school district. As noted on page one of the handout, titled Act 319, Clean and Green, the Octorara Area School District had \$160,770,430 in 319 exemptions. This resulted in a loss of \$4,733,568 in revenue. With the present Clean and Green Program that loss must be made up by the property owners of that district. It seems our legislators understood this situation would happen and in 1999 Senate Bill 1155 was proposed to help fill this gap for school districts that are heavily agricultural. Today, the legislature has the opportunity to follow through on this concept and provide supplemental funds from the state general fund as presented in HB 1960.

The Octorara Area School District according to Chester County Planning Commission figures has the lowest per capita income and household income of all the school districts in Chester County and we are the most heavily taxed. Yes, Act 319 is a contributing factor in creating the financial situation in the Octorara Area that the property owners can no longer fund.

As a school director I look at the effect Clean and Green has on our educational system. The yearly Report Card on Chester County Schools clearly shows the struggle our district has due to the financial problems in our area. How can we compete with our neighboring schools? They have many more programs to offer the students, which mean a better education.

Our county government has the Landscapes program which assists Clean and Green by giving an incentive to boroughs for having residential construction (cluster) built in the boroughs and the results of this program has the Parkesburg property owner paying the highest property tax of all the boroughs in Chester County. Yes, providing services comes at a high cost. I went to our county commissioners a decade ago and asked for

assistance. They had an Economic Development study completed. They funded this study which outlined where commercial development should be located without compromising open space. What has been done with this study? It is collecting dust on township shelves as these townships do not need or want any commercial development.

I feel our Superintendent, Administrators and Teachers are doing a fine job. Our Superintendent has held meetings in all areas of the district and the response in each area was the same, please lower our taxes. One example is the West Chester school tax, it is one half that of Octorara and they offer many more student programs. Why, because West Chester is not an agricultural based district and Octorara is an agricultural based district. Octorara athletic programs are getting close to a pay as you play program when our neighboring schools are playing on Astroturf fields. Yes, we are a rural/agriculture area and I am extremely hopeful that our legislators after reviewing the information presented today will clearly understand they must address the very difficult financial burden that has been placed on the property owners of the Octorara Area School District.

I hope no one was put to sleep. But let me finish with three things I wanted you to hear: Number 1 - HB1960. Number 2 - \$170 million in lost property valuation. Number 3 - \$4.7 million in revenues lost..

Thank you for letting me speak and thank you for having the discussion about this bill.

Attachments:

1. Act 319 - Clean and Green; Loss of Assessed Value and Loss of Revenue
2. January 2008 millage comparisons for Chester County School Districts
3. Chester County School District Comparison - Value of Mill
4. Chester County School Tax Comparison - County Assessment Office
5. Chester County Municipal Millage rates
6. Senate Bill 1155 of Session of 1999
7. Daily Local News article
8. Letter to Judge Paula Francisco Ott from Robert Hume
9. Land Use Map of Octorara Area School District - Chester County
10. Land Use Map of Octorara Area School District - Lancaster County

**Act 319 – Clean & Green
Octorara Area School District**

**Loss of Assessed Value
Loss of Revenue**

2006 Act 319 Exemptions

Name	Land	Building	Total County Assessment	Act 319 Value	319 Exemption
			Grand Totals		
			319 Exemption		\$160,770,430
			Tax Exempt Revenue		\$4,733,568

Information as of: January 25, 2008

District	2007-2008 Final Millage Rate	2007-2008 Tax Liability Based on Assessed Value of \$120,000
Octorara	31.610	3,793.20
Coatesville	25.700	3,084.00
Oxford	25.159	3,019.08
Phoenixville	24.440	2,932.80
Downingtown	24.050	2,886.00
Owen J. Roberts	23.960	2,875.20
Avon Grove	23.820	2,858.40
Kennett	21.950	2,634.00
Unionville	21.570	2,588.40
Great Valley	17.440	2,092.80
Tred-Easttown	16.260	1,951.20
West Chester	15.790	1,894.80

		2007-08
		Budgeted R.E.
Rank	District	Mill Value
1	West Chester*	\$ 8,135,259
2	Tred-Easttown	\$ 4,765,217
3	Downingtown	\$ 4,668,480
4	Great Valley	\$ 3,265,000
5	Coatesville	\$ 2,759,160
6	Owen J. Roberts	\$ 2,106,133
7	Kennett	\$ 1,949,079
8	Phoenixville	\$ 1,939,288
9	Unionville*	\$ 1,819,408
10	Avon Grove	\$ 1,703,711
11	Oxford	\$ 1,050,726
12	Octorara*	\$ 861,059

Chester County Boroughs Municipal Mills						
	Boroughs				Municipal Mills	
					Old	New
1	Parkesburg				7.0	8.0
2	Oxford				7.53	7.63
3	South Coatesville				5.5	7.6
4	Downingtown				4.5	5.5
5	West Chester				5.0	5.21
6	Atglen				3.1	4.1
7	Avondale				2.25	4.0
8	Spring City				3.15	3.62
9	Modena				3.4	3.4
10	Phoenixville				2.712	3.296
11	West Grove				2.0	3.0
12	Malvern				3.0827	2.9697
13	Kennett Square				2.35	2.35
14	Honey Brook				1.1	1.1
15	Elverson				0.0	0.0

COUNTY OF CHESTER ASSESSMENT OFFICE

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610-344-6105

JEFFREY A. LAUDENSLAGER
Director of Assessments

MARK SIBERT
Chief Assessor

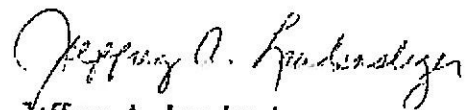
March 24, 1997

Robert Hume
105 E. 1st Ave.
Parkesburg, PA. 19365

Dear Mr. Hume:

If we understand your request, you are looking to equate a 7,000 assessment in 1997 terms to a specific school tax bill using 1997-1998 millages. Accordingly, we have applied the appropriate millages to the 12 school districts listed and arrived at the enclosed school tax amounts.

Very truly yours,



Jeffrey A. Laudenslager
Director of Assessments

JAL/cap

C: Commissioner Andrew Dinniman

Chester County School Tax Comparison

Equal assessment in the 12 school districts within the county, does not mean equal tax bills or equal educational opportunities.

The list below clearly indicates the Octorara property owner pays more to support education than any other school district within the county.

<u>1997 Equal Assessment</u>	<u>School District</u>	<u>Tax Bill</u>
\$7000	WEST CHESTER	\$1082.20
\$7000	TREDYFFRIN-EASTTOWN	\$1174.04
\$7000	GREAT VALLEY	\$1211.70
\$7000	PHOENIXVILLE	\$1478.40
\$7000	UNIONVILLE	\$1512.70
\$7000	KENNETT SQUARE	\$1517.60
\$7000	DOWNINGTOWN	\$1549.10
\$7000	OWEN J. ROBERTS	\$1638.00
\$7000	OXFORD	\$1657.60
\$7000	COATESVILLE	\$1809.50
\$7000	AVON GROVE	\$1946.00
\$7000	OCTORARA	\$1981.00

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1155 Session of
1999

INTRODUCED BY MADIGAN, HELFRICK, MUSTO, O'PAKE, ROBBINS,
SCHWARTZ, LEMMOND AND RHOADES, OCTOBER 20, 1999

REFERRED TO AGRICULTURE AND RURAL AFFAIRS, OCTOBER 20, 1999

AN ACT

1 Amending the act of December 19, 1974 (P.L.973, No.319),
2 entitled "An act prescribing the procedure under which an
3 owner may have land devoted to agricultural use, agricultural
4 reserve use, or forest reserve use, valued for tax purposes
5 at the value it has for such uses, and providing for
6 reassessment and certain interest payments when such land is
7 applied to other uses and making editorial changes,"
8 providing for payments to certain local taxing authorities to
9 offset assessments reduced under this act.

10 The General Assembly of the Commonwealth of Pennsylvania
11 hereby enacts as follows:

12 Section 1. The act of December 19, 1974 (P.L.973, No.319),
13 known as the Pennsylvania Farmland and Forest Land Assessment
14 Act of 1974, is amended by adding a section to read:

15 Section 4.3. Payments to Impacted Local Taxing
16 Authorities.--(a) The General Assembly finds that although all
17 citizens of this Commonwealth benefit from the preservation of
18 open space lands, the burden of the shifting of real property
19 taxes falls heavily on certain local taxing authorities. In
20 order to ensure that the taxpayers of these local taxing
21 authorities do not bear too much of the burden of this act, it

1 (d) If the difference between the amount stated under
2 subsection (c)(2), less the amount stated under subsection
3 (c)(3) is equal to or greater than ten percent (10%) of the
4 amount stated under subsection (c)(1), the local taxing
5 jurisdiction shall be eligible to receive payments under this
6 section.

7 (e) The Commonwealth shall pay to the eligible local taxing
8 authority for the fiscal year ninety percent (90%) of the
9 difference between the amount stated under subsection (c)(2),
10 less the amount stated under subsection (c)(3), multiplied by
11 the rate stated under subsection (c)(4). The data stated by the
12 local taxing authority must be verified by the county assessor
13 before such payment may be made. The Department of Community and
14 Economic Development shall make payment to the local taxing
15 authorities no later than October 1.

16 (f) Payments under this section shall be funded by
17 appropriations from the General Fund. For purposes of making
18 this payment, the Department of Community and Economic
19 Development shall make requisition in the manner prescribed by
20 the act of April 9, 1929 (P.L.343, No.176), known as "The Fiscal
21 Code." If the amount appropriated for purposes of this section
22 is insufficient to fully fund the payments otherwise required by
23 this section, the payment to each local taxing authority shall
24 be reduced by an equal percentage.

25 (g) The Department of Community and Economic Development
26 shall promulgate such rules and regulations as are necessary to
27 administer this section.

28 (h) As used in this section, the term "Local taxing
29 authority" means a political subdivision having authority to
30 impose taxes on real estate.

Today's Obituaries

Obituaries appear on Page B4 for F. Charlotte Cooper, Michelle Frazer, Leonard Laws Sr., Elizabeth Maglaine and Thomas Ulean.

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COUNTY

DAILY LOCAL NEWS

Sunday, December 2, 2007

1,000 people crowd Atglen meeting

Residents attending summit at Octorara Area High School concerned about property tax and school funding

YANNE PICKERING
Staff Writer

ATGLEN - Nearly 1,000 people gathered about rising school taxes packed the Octorara Area High School auditorium Thursday for a summit on property tax and school funding.

State officials, including state Sen. Majority Leader Dominic Pileggi, Mayor of Chester, answered repeated questions about state pending and the reliance on property taxes to fund education.

In a question regarding the hope that gaining revenue would soon be belated school districts some relief, Pileggi responded that school property taxes total \$11 billion a year. Gov. Rendell's projections are that gaining revenue would bring in \$1 billion a year. Even if all the dollars came

through, it's not a solution to property taxes and the problem of school funding," Pileggi said.

Township supervisors and borough council members shared the platform with state representatives.

Dirk Hagen, president of Atglen Borough Council, said he favored funding education with an income tax rather than reliance on property tax. "Income tax seems to me a more fair and equitable system than the property tax," he said. But he feared if the state Legislature shifted school funding to an income tax that it wouldn't phase out the property tax. "What scares me is to have an increased income tax and still have a property tax," he said.

Pileggi said he wasn't in favor of a graduated income tax. "We have a relatively low personal income

tax," he said. He said he feared if the Legislature starts increasing the income tax to fund education that it would let the "genie out of the bottle."

State Rep. Bryan Cutler, R-100th, of Peach Bottom, said he thought funding education through property taxes was inequitable. A family can have a lot of land and still be poor, he said. "I think we need to find a more equitable system. I think it should be some sales tax, income tax combination," he said.

"We lived in areas where sales tax funded education and it worked pretty well," said Kenneth Knickerbocker, president of the Parkeshung Borough Council.

"To change the way we fund education, you have to change the constitution," said Rep. Art Harshley, R-13th, of Cochransville. "Two times people have voted it down."

"I think we need to focus more on the expense side," said Pileggi.

Hagen said state Department of Education rules add costs. For instance, school districts have to pay the prevailing wage and Octorara had to pay \$10 more an hour than a school district in Lancaster County. The district recently built a maintenance facility because of what was required.

Maybe a pole barn would have done just as well, he said. "If we want to control expenses, we are not given the means," said Hagen.

The summit, sponsored by the Octorara Area School District, is just the first of what district officials hope will be a regular event.

"We need to have state and local officials and school board members meet regularly on a quarterly or yearly basis," said

Thomas Newcome, superintendent of the school district, in an interview Friday. "It's the first stage in changing the culture of how we do business."

Just bringing everyone together was important to John Lawrence Franklin. "People are not about this. I think it's critical to have state legislators, school board members and local officials talk like this."

Steve Kaufman of Gap said he hoped the large turnout would send a message to the Legislature. "Let them see the numbers. Since we've been in the district 10 years, our taxes go up every year. Probably other things need to be done. Once they see people concerned they might do something."

To contact staff writer Anne Pickering, send an e-mail to apickering@dailylocal.com.

March 17, 2008

The Honorable Paula Francisco Ott,
Chester County Court House
2 North High Street
PO Box 2748
West Chester, PA 19380-0991

Dear Judge Ott

I send this information because I feel obligated to show the court what the county and state elected officials have accomplished by their political Open Space Platform (I will not elaborate on this statement at this time).

State Act 319 Clean and Green has had an unbelievable financial burden placed on property owners in the Octorara Area School District, 4.7 million dollar tax burden has been switched from Act 319 members to the residential property owners by changing assessment values. This 170 million dollars of assessed value that has been taken away from the school revenue must be made up by the Octorara Area property owners. This presently, as stated above, is 4.7 million dollars each year it is not a one and done replacement of funds.

I also believe this 170 million reduction in assessed value does not follow the rules of fair assessment as the court ruled in the late nineteenth hundreds and ordered reassessment. Our area as shown by information from the county planning commission clearly illustrates we are at the bottom of the per capital income and household incomes and yet we have the highest property millage rate of all school districts in Chester County.

I have attached information on the financial status of the Octorara Area School District but it does not show the adverse effect it has on our school administrations ability to provide the much needed programs for the graduating seniors to be competitive with the other graduates of Chester County. A couple of examples, World Language courses. Octorara has 2 that start in Middle School (grade 6) and other districts have as many as 5 to 7 that may start at the Elementary level. Sports is another example. It is becoming a pay as you play thing in the Octorara School District as sports funding must be used for classroom learning, other districts have installed astro-turf on their sports fields.

I believe this Open Space has also effected the schools State Funding as it is based on the financial status of the area which is either fair market value or assessed value and I do not believe either takes into account for the 170 million dollars of assessed value lost in our area when school funding is calculated.

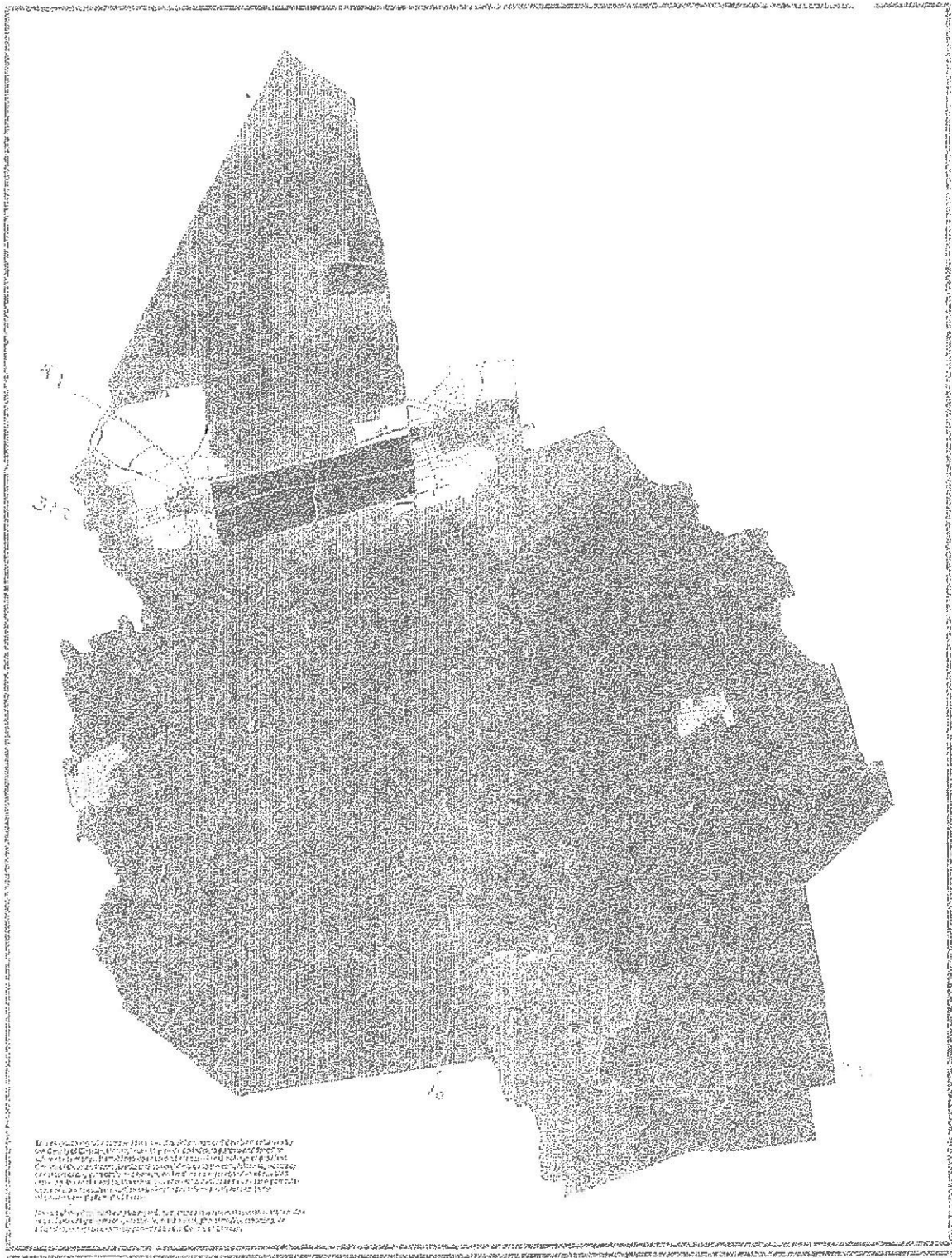
I am sure the court systems is aware of the adverse effect financial problems has on families that cannot meet their needs. The financial family strain on the young property owner can be a much more serious problem then that of the senior property owner.

In closing I sincerely hope you will look into how the county and state elected officials have either misinterpreted or changed the intention of Act 319 as I cannot believe this legislation would allow for such a crisis situation to be placed on students, school officials, families, business and residential taxpayers that reside in the Octorara Area School District.

Sincerely



Bob Hume

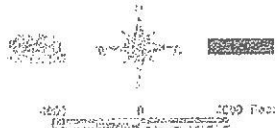


41
312

16

This map is a draft of the Octorara Regional Comprehensive Plan Update. It is intended for informational purposes only and should not be used for any legal or financial decisions. The map is subject to change without notice. For more information, please contact the Octorara Regional Planning Commission.

**Octorara Regional
Comprehensive Plan
Update**



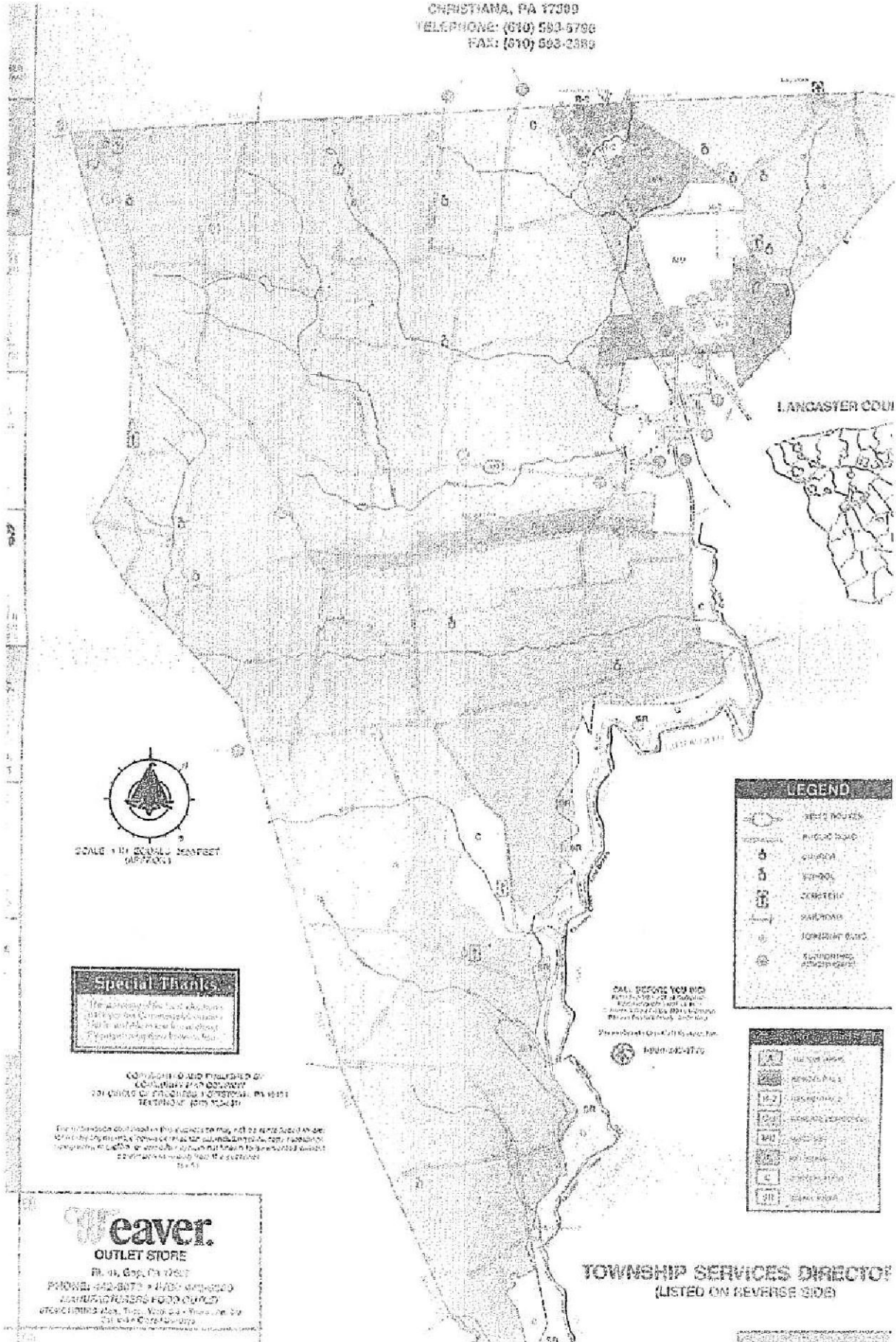
DRAFT

Prepared by: [Name] | Date: [Date]

Land Use Plan

- Resource Protection Areas:
- 800 Agriculture Preservation
- 100 Rural Residential
- Growth Areas:
- 100 Small Town Mixed Use
- Urban Residential
- 200 Small Town Center
- 300 Village Center
- 400 Village Preservation
- 500 High Intensity

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SCALE 1" = 1000' (APPROX.)

Special Thanks
 The address of the townships
 of Lancaster County, PA
 is available on the internet at
 www.lancastercounty.gov

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