



**TESTIMONY BY
THE PENNSYLVANIA STATE ASSOCIATION OF
TOWNSHIP SUPERVISORS**

**BEFORE THE
HOUSE LOCAL GOVERNMENT COMMITTEE**

ON

HB678

PRESENTED BY

**BRIAN RENGERT
DEPUTY DIRECTOR OF GOVERNMENT RELATIONS**

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HARRISBURG, PA**

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Good afternoon, Chairman Freeman, Chairman James, and members of the House Local Government Committee. My name is Brian Rengert and I am the Deputy Director of Government Relations at the Pennsylvania State Association of Township Supervisors (PSATS). Thank you for allowing me the opportunity to present remarks on behalf of the 1,454 townships of the second class represented by our association.

PSATS is a nonprofit, nonpartisan organization committed to preserving and strengthening township government and securing greater visibility and involvement for townships in the state and federal political arenas. Townships of the second class cover 95% of Pennsylvania's land mass and represent more residents — 5.7 million Pennsylvanians — than any other type of municipality in the commonwealth.

Municipalities are charged with providing many of the vital services our communities need to thrive, like fire, police and EMS and infrastructure like roads, water and sewer and parks. However, while responsibilities and costs continue to rise, townships of the second class remain limited in the revenue streams they can use to fund these important services.

Property taxes are the main revenue source for municipalities. Tax exempt properties reduce the revenue our members can collect but often increase the level of service, especially public safety services, they must provide. PSATS supports HB678 and the effort to provide a local option for offsetting revenue lost from tax exempt properties.

It is worth noting that some of our rural members have seen most of the land in their townships permanently moved off tax rolls when acquired by DCNR, the PA Game Commission or land trusts. This significantly limits their ability to raise revenue for vital services. In some of these circumstances, municipalities may receive a payment in lieu of taxes (or PILT) from the state however these payments are, at most, only a few dollars an acre and do not fully replace the tax revenue lost.

PSATS would also welcome a larger conversation about tax reform and additional revenue options. Section 3205 of the Second Class Township Code is very specific in the types of taxes and rates a municipality can levy. The current system requires local government to rely on the property tax, which has been shown time and time again to be an unfair burden on those with limited incomes. Part of the problem is that three local taxing jurisdictions – the municipality, school district and county - must rely on the same property tax base for a major portion of their revenues.

In addition to HB678 we would recommend additional menu options like: repealing the Sterling Act, authorizing a hotel occupancy tax, as well as increasing or removing some of the caps on special purpose taxes allowed under section 3205. We would also support modernizing the state's assessment system to ensure assessed values are determined fairly. Some counties have not reassessed property for decades.

Finally, PSATS opposes the granting of special exemptions from taxes for for-profit companies. Thank you for your time and we look forward to working with you on this issue.