



# Pennsylvania State Association of Boroughs

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March 5, 2009

The Honorable William DeWeese  
Room 121 Main Capitol  
Po Box 202050  
Harrisburg, Pa 17120-2050

Dear Representative DeWeese:

The Pennsylvania State Association of Boroughs would like to offer its perspective on your legislative proposal which amends the General County Assessment Law permitting counties to assess value to natural gas, oil, and coal-bed methane. While the proposal seemingly amends the laws affecting county assessments, PSAB recognizes it goes further in addressing the needs of municipalities and school districts as well. This is a welcome step in returning to the prior allowances given to assess these resources at accurate levels.

PSAB agrees with the spirit of your proposal that corrects a 2002 Supreme Court decision and leads to improved tax equity. Without the prudent assessment of oil and gas industry interests in mineral rights, an undue tax burden is thrust on the Commonwealth's residents. Resulting in remaining property taxpayers being disproportionately forced to fund not only county operations, but the operations of schools, boroughs and townships as well.

To truly engender the support of the boroughs in the proposal, assurances must be provided that address the proliferation of new gas wells. These wells and their accompanying facilities create unexpected burdens for local taxpayers in the form of damage to local roads, bridges, water supplies & related treatment. One remedy that PSAB offers with anticipation of your support is the adjustment of current road bonding limits that accurately reflect true costs for repair of any impacted infrastructure. PennDOT's regulatory prowess in the determination of these limits is severely outdated and is sure to be challenged as the exploration, establishment and expansion of the Marcellus Shale gas fields occur throughout the Commonwealth. Pennsylvania's boroughs support this growth in energy resources while stressing that the taxpayers of our communities be "*held-harmless*" by the resulting impacts to their local infrastructure.

In summary, Pennsylvania's boroughs realize the growth and expansion of these energy resources in their regions means economic expansion. Equally necessary is protecting the taxpaying community throughout this expansion. Consideration must be given to non-impacted communities as well that are certain to encounter the future effects of exploration. The accurate assessment of gas, oil and coal-bed methane resources protects both the industry that depends on local infrastructure as well as taxpayers which have built it. As PSAB supports changes put forth by your proposal to amend the General County Assessment Law we do so provided the local needs we have illustrated will indeed be addressed. Should you wish to discuss these or any related borough issue I can be contacted anytime at 717-236-9526 x21 or email at [etroxell@boroughs.org](mailto:etroxell@boroughs.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Edward C. Troxell", written over a horizontal line.

Edward C. Troxell  
Director, Government Affairs