

**Remarks by Dave Coder
Greene County Commissioner and Chair of the CCAP Board of Directors**

Good afternoon. I am Dave Coder, Greene County Commissioner and current chair of the County Commissioners Association of Pennsylvania's Board of Directors. I am pleased to be here today on behalf of the CCAP, which represents all 67 counties in the state. We are here to express our strong support for Representative DeWeese's legislation to restore counties' ability to assess oil and gas as real property for taxation purposes. Representative DeWeese's bill will improve equity in property taxes, and assure that oil and gas companies contribute their fair share to county, municipal, and school district budgets. This issue is part of CCAP's tax fairness priority for 2009, because tax fairness is as much about what and who is taxed as it is about the tax base or tax rate.

! This legislation represents a simple restoration of counties' ability to assess oil, gas and coal bed methane for real property tax purposes. This bill does not create new subjects of taxation. Counties could assess these minerals as property until a Supreme Court decision in 2002, and had been assessing oil and gas since at least the early 1900s.

Correcting the Supreme Court decision is a matter of tax equity. Developers of other mineral resources such as coal and limestone, and even wind tower operators, already pay the property tax. The court's decision is also unfair to residential and commercial property owners, who are forced to disproportionately fund the operations of counties, schools and municipalities because these minerals are currently escaping taxation.

! This proposal will not impose any additional taxes on the surface owner. In assessment of mineral estates, property taxes are levied against the producers' interest, not the landowners' interest. This proposal will not tax royalty payments. In fact, this proposal will provide property tax relief to all current property tax payers, either by reducing the need for future tax increases, or by lowering existing property taxes through a reduction in the millage rate if new revenue exceeds 10% in the first year of implementation.

Representative DeWeese's legislation is about restoring fairness to subjects of the property taxation. Oil and gas development has very real and direct impacts on the local community, and Representative DeWeese's bill will assure that companies developing these resources contribute their fair share to services from which they will benefit.