



Remarks of Timothy M. Allwein
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PSBA would like to thank Rep. DeWeese for reintroducing this important piece of legislation. It restores assessability rights to counties and thereby requires those businesses which derive a direct benefit from our state's natural resources to pay their proportionate share of property taxes to school districts. This is not a new tax, but rather restoration of school districts' rights to derive income from oil and gas interests that were removed by judicial fiat in 2002, a decision that overturned decades of settled law.

This legislation clearly benefits those school districts that are among the poorest in the state. By PSBA's count, 45 of the 50 school districts with the highest aid ratios -which means that they have the lowest relative wealth in the state - are located within the Marcellus Shale region. Of the 250 districts below the state's median aid ratio, 207 districts are also located in this region. In other words, we're talking about a potential source of additional local revenue that could help some of the poorest school districts in the Commonwealth.

PSBA believes this issue is critical to hundreds of school districts in this time of economic turmoil. We believe that the re-enactment of valuation and assessability of oil and natural gas rights is an integral part of an overall plan to improve the financial stability of local governments, including school districts, in some of the neediest areas of the state. It is not a panacea by any means, and there is still much work to be done, but by helping these entities, we will be taking a major step in the right direction.