



PENNSYLVANIA STATE ASSOCIATION OF TOWNSHIP SUPERVISORS

March 9, 2009

The Honorable H. William DeWeese, Majority Whip  
Pennsylvania House of Representatives  
121 Main Capitol Building  
P.O. Box 202050  
Harrisburg, PA 17120-2050

Dear Representative DeWeese:

We are writing in support of House Bill 10, which would amend the General County Assessment Law to enumerate coal and other valuable minerals, including gas and oil, as subjects of taxation. The Association **supports** HB 10 and thanks you for introducing it.

Prior to 2000, local property taxes were levied on natural gas and methane in Pennsylvania. However, the PA Supreme Court in *Independent Oil and Gas Association of Pennsylvania v. the Board of Assessment Appeals of Fayette County* held that assessing and levying property taxes on oil and gas wells was not explicitly authorized under the law, ending this practice. Since then, Pennsylvania has been the only state to not assess oil and gas wells as taxable property. HB 10 would remedy this oversight.

HB 10 would authorize the assessment of oil and gas deposits as taxable real estate, much like coal, limestone, and all other minerals. This change would allow municipalities, school districts, and counties to levy property taxes on the assessed value of these mineral rights and restore fairness to our property tax system.

Recently, the Department of Community and Economic Development has estimated that there is over \$500 billion of recoverable natural gas in Pennsylvania. Much of this gas is located in the Marcellus Shale formation that covers approximately 2/3 of the commonwealth. This marvelous find has significant potential for all Pennsylvanians, including lowering energy costs and creating new jobs. By allowing municipalities, counties, and school districts to once again tap into this revenue source, will help to alleviate the need to raise property taxes to meet the demands of their constituents.

Again, we **support** HB 10, and request that you do what you can to bring this bill before the Governor. If you have any questions, or wish to discuss this bill in detail, please do not hesitate to contact me.

Sincerely,

Elam M. Herr  
Assistant Executive Director

EMH:kml

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