

ORIGINAL

HOUSE OF REPRESENTATIVES  
COMMONWEALTH OF PENNSYLVANIA

HOUSE AGRICULTURE AND RURAL AFFAIRS COMMITTEE

IN RE: HOUSE BILL 657

SHADOWBROOK INN AND RESORT  
TUNKHANNOCK, PENNSYLVANIA

THURSDAY, AUGUST 14, 2003, 9:31 A.M.

BEFORE:

HON. ARTHUR HERSHEY, MAJORITY CHAIRMAN  
HON. SANDRA MAJOR, MAJORITY SECRETARY  
HON. RICHARD GRUCELA, MINORITY SECRETARY  
HON. JEFF COLEMAN  
HON. DAVID HICKERNELL  
HON. TINA PICKETT

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1                   CHAIRMAN HERSHEY: Good morning,  
2 ladies and gentlemen. Thanks for coming out. I'm  
3 Art Hershey from Chester County. My son and I run  
4 a dairy farm down there. I'm the Chairman of the  
5 House Agriculture and Rural Affairs Committee. I  
6 would like to welcome everyone to this hearing.  
7 At this time, I'm going to ask the members to  
8 introduce themselves.

9                   MR. CALLEN: My name is Dave Callen.  
10 I'm the Minority Executive Director of the  
11 Committee and I'm here on behalf of Representative  
12 Daley, Representative Hershey's co-chair.

13                  REPRESENTATIVE MAJOR: Good morning.  
14 I'm State Representative Sandra Major representing  
15 the 111th Legislative District which we are in  
16 this morning.

17                  REPRESENTATIVE PICKETT: I'm  
18 Representative Tina Pickett. I have Bradford,  
19 Sullivan and Susquehanna Counties.

20                  REPRESENTATIVE COLEMAN: I'm  
21 Representative Jeff Coleman. I represent  
22 Armstrong and Indiana Counties, the 60th  
23 Legislative District.

24                  REPRESENTATIVE GRUCELA: I'm  
25 Representative Rich Grucela, 137th District. I

1 represent a part of Northampton County.

2 REPRESENTATIVE HICKERNELL: Good  
3 morning. I'm Representative Dave Hickernell. I  
4 represent the 98th District which is Lancaster and  
5 Dauphin Counties.

6 MR. HOWES: I'm Jay Howes. I'm on  
7 Representative Art Hershey's staff.

8 MS. GOLDEN: I'm Kerry Golden. I'm on  
9 Representative Art Hershey's staff.

10 CHAIRMAN HERSHEY: Thank you. We are  
11 here today at the request of Representatives  
12 Sandra Major and Tina Pickett, both members of  
13 this Committee, to examine the impact of the Clean  
14 and Green Program and the potential changes  
15 proposed by House Bill 657.

16 Representatives Major and Pickett will  
17 have more detailed comments later, but I would  
18 like to preface those statements with a brief  
19 history of the program here in Pennsylvania.

20 In 1958, the Pennsylvania Constitution  
21 was amended to allow for the preferential  
22 assessment of private forest reserves. In 1973,  
23 the Constitution was again amended to add the  
24 provision allowing for preferential assessment of  
25 agricultural reserves and land actively devoted to

1 agricultural use.

2 The latter constitutional amendment  
3 resulted in the passage of Act 319 of 1974, the  
4 Pennsylvania Farmland and Forest Land Assessment  
5 Act of 1974 which we have come to know as Clean  
6 and Green. This law provides for the preferential  
7 assessment of land based on its use, agricultural  
8 use, agricultural reserve and forest reserve.

9 There is a common misconception that  
10 only farmers should be permitted to receive  
11 preferential assessment. I would like to point  
12 out that preferential assessment is available to  
13 all qualifying landowners, not just farmers.  
14 County assessment offices administer the Clean and  
15 Green programs in their counties. Every county  
16 must provide for the participation of its  
17 landowners. In some counties, there is little  
18 Clean and Green participation and in others, a  
19 high percentage of the land might be enrolled.

20 In the mid-1990s, it was brought to  
21 the attention of the General Assembly that county  
22 assessors did not interpret the Clean and Green  
23 law uniformly. The Joint State Government  
24 Commission did a study and issued a report in 1997  
25 which indicated a similar conclusion. The House

1 and Senate Agriculture and Rural Affairs  
2 committees held a joint informational meeting  
3 later that year which allowed the Commission to  
4 present their findings.

5 In addition, we learned that most  
6 county assessors were taking an arbitrary acre of  
7 land or, in some cases, more than one acre and  
8 assigning a fair market value assessment to that  
9 base acre. Some counties were even using fair  
10 market value assessment for a base acre on parcels  
11 without a home site.

12 The fair market value assessment of a  
13 base acre of land was in addition to the fair  
14 market value assessment on the residence and other  
15 buildings and often nullified any cost savings in  
16 preferential assessment of the remaining property.

17 In addition, some county assessors  
18 were requiring a minimum of 11 acres for a  
19 landowner to qualify for enrollment to allow for  
20 this base acre. Nowhere in the law was this  
21 practice every authorized. Nowhere in the law did  
22 it state that a landowner must have at least 11  
23 acres to qualify for preferential assessment.

24 Comprehensive amendments were enacted  
25 in 1998 by Act 156. Most notably and of interest

1 here today was a provision to clarify that the  
2 base acre was to receive preferential assessment  
3 and that 10 acres, not 11, was the number needed  
4 to qualify.

5 I want to make it clear that this law  
6 and specifically this provision only applies to  
7 the land and not the buildings on the land.  
8 Residential buildings never were and still are not  
9 eligible for preferential assessment. They must  
10 be assessed at fair market value.

11 Today we will hear how the 1998  
12 amendments have affected certain counties. We  
13 will hear how House Bill 657 may or may not be a  
14 possible solution to a problem that has occurred  
15 in areas where there is a limit tax base. I'll  
16 now turn it to Representatives Major and Pickett  
17 for their comments.

18 REPRESENTATIVE MAJOR: Thank you,  
19 Chairman Hershey. I would like to welcome you and  
20 the other members of the House Agriculture and  
21 Rural Affairs Committee to Wyoming County. I  
22 would also like to take a moment to extend my  
23 sincere thanks to Kerry Golden and other members  
24 of our staff who have worked so hard to put this  
25 hearing together. I would also sincerely thank

1 each and every one of you in the audience for  
2 taking the time out of your busy day to attend  
3 this hearing and I thank those of you who are here  
4 to testify.

5 I would like to add some facts and  
6 figures to help you understand the reason why I  
7 introduced House Bill 657. First, the general  
8 requirements for eligibility to enroll land in  
9 each Clean and Green land use category have gone  
10 largely unchanged.

11 To qualify for the agricultural use  
12 category, a landowner must have used the land for  
13 the previous three years for producing an  
14 agricultural commodity and owned at least 10 acres  
15 unless the landowner has less than 10 acres and  
16 can produce an anticipated yearly gross income of  
17 at least \$2,000.

18 For the agricultural reserve category,  
19 a landowner must, once again, own at least 10  
20 acres, not use the land for commercial purposes  
21 and allow public access to the property for the  
22 enjoyment free of charge. For forest reserve use,  
23 a landowner must have at least 10 acres of land  
24 stopped by trees and capable of producing timber.

25 In exchange for keeping the land in



1 its intended use, the landowner receives  
2 preferential tax assessment on the property. By  
3 including farmstead land in the preferential  
4 assessment, many counties have discovered a  
5 negative impact on their tax revenues. This is  
6 most evident with the land enrolled in the  
7 agricultural reserve and forest reserve  
8 categories.

9 Therefore, House Bill 657 seeks to  
10 exclude the preferential assessment of farmstead  
11 land enrolled in these two categories. Please  
12 keep in mind that the farmstead land enrolled in  
13 the agricultural use category would not be  
14 affected by this Legislation and I stress that  
15 point.

16 The current method for providing  
17 services to citizens is through property tax  
18 revenue. As services become more expensive,  
19 property taxes rise. However, Clean and Green  
20 values often remain constant. In counties where  
21 there is high Clean and Green enrollment and  
22 little alternative tax base to make up for  
23 preferential assessment, budgets are reduced and  
24 local officials must make difficult decisions for  
25 the use of the remaining funds.

1                   You will hear more details from people  
2 here today offering testimony, but we want to  
3 examine whether allowing the fair market value  
4 assessment on one acre of agricultural reserve and  
5 forest reserve land will have a positive impact on  
6 counties with shrinking tax revenues. I thank  
7 you, Mr. Chairman, for this opportunity and  
8 recognize my colleague, Representative Pickett.

9                   REPRESENTATIVE PICKETT: Thank you,  
10 Mr. Chairman. Thank you, Representative Major.  
11 First of all, I have very heartwarming feeling  
12 about the number of people that came out today  
13 because we know that it's a very, very important  
14 issue here in our northeastern counties.

15                   I was first a Bradford County  
16 commissioner when I became aware of all of the  
17 different parts of Clean and Green and how it  
18 works. I do believe that we have at this point  
19 probably a few inequities in Clean and Green, but  
20 I am particularly a strong supporter of the bill  
21 that Representative Major is proposing here. I  
22 think it's very, very important that that bill go  
23 forth.

24                   When I was a county commissioner, my  
25 chief assessor at the time who is here today

1 quickly came to us and told us what this technical  
2 change meant to our county and our school  
3 districts and it meant a huge amount of money.

4 I think one of the things that Sandra  
5 emphasized and I want to also is that there is  
6 absolutely no intent here to not be completely  
7 supportive of the farming and agricultural  
8 community and of maintaining those large pieces of  
9 land, whether they are farm or they are viewed as  
10 open spaces.

11 However, I think we're in a position  
12 of encouraging now the break up of that farmland  
13 into 10 acre lots and we are encouraging people to  
14 have 10 acre lawns because it makes financial  
15 sense to do that rather than have a smaller piece  
16 of property in a village.

17 I think throughout Pennsylvania we  
18 have to continue, even up here, to think about  
19 sprawl, think about how we're beginning to, if you  
20 will, chew up our larger pieces of land. I think  
21 we are in the position of encouraging that in the  
22 way things are right now.

23 I hope that if you're not offering  
24 testimony today, that you will, in fact, offer  
25 your opinion on this, hopefully maybe a written

1 opinion that we can include as we continue to put  
2 together a supportive move for what we think needs  
3 to be a change here. Thank you.

4 CHAIRMAN HERSHEY: Thank you,  
5 Representative Major and Representative Pickett.  
6 Today I don't wish to stifle testimony by asking  
7 our members and people offering testimony to try  
8 to adhere to the schedule because we have a full  
9 schedule. We want to respect each other's time  
10 frame and try to get out of here at a decent time.

11 At this time, we will turn the floor  
12 over to our Secretary of Agriculture. I am proud  
13 to have him here. The Honorable Dennis Wolff.

14 SECRETARY WOLFF: Good morning,  
15 Chairman Hershey, members of the Committee. I am  
16 pleased to be here today to testify regarding  
17 House Bill 657 of 2003 which would amend the Clean  
18 and Green Act. As you know, the General Assembly  
19 passed Act 156 in 1998 amending the Pennsylvania  
20 Farmland and Forest Land Assessment Act of 1974,  
21 commonly known as the Clean and Green Act.

22 One of the purposes of Act 156 of 1998  
23 was to provide for a more uniform, consistent  
24 application of the Clean and Green Act from county  
25 to county throughout the Commonwealth of

1 Pennsylvania. One of the significant changes made  
2 by Act 156 of 1998 involved the assessment of  
3 enrolled agricultural use, agricultural reserve  
4 and forest reserve land upon which residences,  
5 curtilages and supporting structures were located.

6 Some county assessors referred to this  
7 land as the base acre and had begun assessing that  
8 land as if it was not enrolled land. In some  
9 instances, the assessment of this base acre land  
10 was so high that it offset the benefits of  
11 enrollment of the remainder of the land under the  
12 Clean and Green Act.

13 Act 156 of 1998 ended this practice of  
14 assessing the base acre differently from the  
15 remainder of the enrolled land. This was done by  
16 adding language to the Clean and Green Act to  
17 specify that farmstead land which includes the  
18 land county assessors were considering part of the  
19 base acre is to be considered part of enrolled  
20 agricultural use, agricultural reserve and forest  
21 reserve land and is to be assessed as such.

22 The changes to the Clean and Green Act  
23 that I just described have created several  
24 unforeseen problems. The current Clean and Green  
25 Act allows for the owner of a tract of enrolled

1 agricultural reserve or forest reserve land to  
2 erect a house on his or her land and receive  
3 preferential assessment of the land occupied by  
4 the residence and its curtilage.

5 This has, in some areas, driven the  
6 subdivision of farmland into 10 acre mini-estates.  
7 The land underlying these residences and  
8 curtilages receives preferential assessment. The  
9 preferential assessment of the land underlying  
10 residential structures and curtilages on enrolled  
11 agricultural reserve lands or forest reserve land  
12 under the Clean and Green act has, No. 1, deprived  
13 counties of needed tax revenue; No. 2, served to  
14 foster the idea that the Clean and Green Act  
15 unfairly shifts the tax burden from the farmers.

16 The Pennsylvania Department of  
17 Agriculture believes that it is appropriate and  
18 important to continue to allow for the  
19 preferential assessment of farmstead land on  
20 tracts of land that are enrolled as agricultural  
21 use land.

22 With that said, we also believe that  
23 it is not unreasonable to end the preferential  
24 assessment of land on which residential structures  
25 and curtilages are located where that land is

1 enrolled as agricultural reserve or forest reserve  
2 land. There is a difference between a farmhouse  
3 that is on a tract of enrolled agricultural use  
4 land and a house that is on a tract of enrolled  
5 agricultural reserve or forest reserve land.

6 House Bill 657 of 2003 would also  
7 provide some relief to counties which have  
8 reported tax revenue losses as a result of their  
9 inability to assess base acre land at its normal  
10 value. This loss of tax revenue may have had its  
11 greatest impact in the rural counties in the  
12 northern tier of Pennsylvania.

13 Susquehanna County, for example,  
14 reports that it lost approximately \$30 million in  
15 revenue in 1998 as a result of this change.  
16 Although some of the losses can be attributed to  
17 active farms enrolled in agricultural use, most  
18 taxpayers have argued the problem lies rather with  
19 the non-farm properties enrolled in agricultural  
20 reserve or forest reserve.

21 House Bill 657 of 2003 helps to  
22 address issues of fairness and public perception  
23 that have been raised with respect to preferential  
24 assessment under the Clean and Green Act in recent  
25 years. The intent of Clean and Green which

1 required a constitutional amendment prior to being  
2 passed into law in 1974 was to promote the  
3 preservation of farmlands, forestland and open  
4 spaces.

5 With over 6 million acres enrolled  
6 statewide, Clean and Green has been largely  
7 successful in accomplishing its goal. The intent  
8 of the program, however, has been undetermined to  
9 some degree by the misuses of the agricultural  
10 reserve and the forest reserve components.

11 Proposed solution, House Bill 657,  
12 would offset tax revenue losses by, once again,  
13 requiring fair market valuation of the base acre  
14 for land enrolled in the agricultural reserve and  
15 forest reserve eligibility categories. It is  
16 important to note, again, that the agricultural  
17 use category would remain unchanged and farmsteads  
18 on enrolled agricultural use land would continue  
19 to receive preferential assessment.

20 It would provide for more equitable  
21 taxation of the land that has no relevance to  
22 farming activity, but is currently classified as  
23 farmstead land by definition of the act. It would  
24 not, however, solve the problem of facilitating 10  
25 acre residential lots as these properties would



1 continue to remain eligible.

2 The Department's position is the  
3 Department supports this Legislation as written.  
4 Preferential assessment of base acre land in  
5 agricultural reserve and forest reserve has been a  
6 major source of criticism of Clean and Green among  
7 the public in past years.

8 While this Legislation does not  
9 preclude the enrollment of such properties, it  
10 lessens the burden on non-eligible taxpayers.  
11 Furthermore, it may lessen the burden on active  
12 farmers whose taxes have been raised due to higher  
13 millage rates. The Legislation would enable a  
14 more fair and equitable way to value non-farm  
15 properties and it will help to maintain the  
16 integrity of the Clean and Green program. Thank  
17 you.

18 CHAIRMAN HERSHEY: Thank you,  
19 Secretary. I want to know if the Committee has  
20 any questions for the Secretary? Representative  
21 Major?

22 REPRESENTATIVE MAJOR: Thank you, Mr.  
23 Chairman. Again, thank you, Mr. Secretary, for  
24 being here today and for providing testimony on  
25 this very important piece of Legislation. You

1 made reference in your testimony, of course, to  
2 the issue I'm addressing in the Legislation, the  
3 ag use. You indicated that the Department  
4 certainly favors that but would also favor the  
5 component of forest reserve and the ag reserve.

6 It comes to mind very quickly because  
7 I hear from my constituents who are very concerned  
8 about this Legislation about the 10 acre issue.  
9 What are your thoughts with regard to that? I  
10 heard that maybe we should increase the number of  
11 acres by which individuals or property would  
12 qualify. I don't want to put you on the spot  
13 here, but maybe you can discuss that a little bit  
14 with us too.

15 SECRETARY WOLFF: I think the way it's  
16 written is fine. I think the 10 acres is okay and  
17 the ag use, of course, of that can be less than 10  
18 acres if the revenues generated are in excess of  
19 \$2,000 of gross revenue per year. So from the  
20 agricultural standpoint, we don't have a problem  
21 with the 10 acre limit.

22 REPRESENTATIVE MAJOR: Thank you.

23 CHAIRMAN HERSHEY: Representative  
24 Pickett?

25 REPRESENTATIVE PICKETT: Thank you,

1 Mr. Chairman. Mr. Secretary, you're new to your  
2 position and we really are enjoying working with  
3 you, but not new to the world of agricultural.  
4 That's for sure. I'm wondering if you have any  
5 opinion on perhaps -- it's mentioned the  
6 constitutional amendments needed in here to make  
7 the changes for the Clean and Green.

8 Have you had any chance to consider  
9 whether or not this really should be a uniform  
10 program throughout the state or should counties be  
11 able to decide some of the parts and how they  
12 would administer Clean and Green? Right now it's  
13 either in or out for the counties. They opt it or  
14 they are not. They cannot pick up pieces of it  
15 and not do it exactly as it is addressed  
16 throughout the state.

17 I guess I'm maybe leaning back a  
18 little bit to that question about the 10 acre  
19 parcel. I think there's a concern here that in  
20 the long run, we're going to damage the whole  
21 program for the world of agriculture if other  
22 citizens feel that it's no longer leaning that  
23 way, but it's leaning towards too many  
24 preferential treatments in other situations.

25 Sometimes up here we think that 10

1        acres of land is not exactly the same viewpoint in  
2        size of parcel as it might be in, say, one of the  
3        southeastern counties.

4                SECRETARY WOLFF: The feedback from  
5        the folks that I have talked to, they like the  
6        word uniformity. It kind of takes the pressures  
7        off the counties in terms of how they have to  
8        enforce things. The county assessors that I have  
9        talked to have been in favor of having a uniform  
10       act statewide and not up to each individual county  
11       to do that.

12               CHAIRMAN HERSHEY: Any other questions  
13       down the line? Thank you, Mr. Secretary, for  
14       coming to our meeting today and helping us kick it  
15       off.

16               SECRETARY WOLFF: Thank you,  
17       Representative Hershey. As a farmer that has had  
18       the advantage to use the Clean and Green program,  
19       I understand how important it is to agriculture  
20       and it would be very difficult for me to operate  
21       my dairy farm without having the Clean and Green  
22       program available to us.

23               CHAIRMAN HERSHEY: It would in our  
24       county also because I had farmers in the upper  
25       side of the county who told me how high their

1 school taxes were. Then finally in 2000, our  
2 commissioners told the assessors they wanted  
3 farmland assessed as farmland and not as potential  
4 and some of the farm taxes dropped from \$20,000 a  
5 year to \$10,000. So it really helped them to  
6 survive especially when we went through the last  
7 three droughts. It's very, very important that we  
8 need to stress that because this open farmland  
9 takes water into the subsoil and into the aquifer.  
10 Thank you again.

11 SECRETARY WOLFF: Thank you.

12 CHAIRMAN HERSHEY: We will have a  
13 panel now by Mr. Doug Hill, Executive Director of  
14 the County Commissioner Association and Mary Lou  
15 Rudolph, Chief Assessor of Fulton County. I think  
16 I'm going to let them introduce themselves. That  
17 would be better. I want to thank each member of  
18 the panel for coming. You may each introduce  
19 yourselves and have your presentations. Then when  
20 you all are finished, then I will have our  
21 Committee here open for questions.

22 MR. HILL: Thank you, Mr. Chairman. I  
23 am Doug Hill, Executive Director of the County  
24 Commissioners Association. Our panel today  
25 includes Mary Lou Rudolph who is the Chief

1 Assessor for Fulton County and she also chairs the  
2 Assessors Association of Pennsylvania Clean and  
3 Green Committee.

4 We also have Mary Kay St. John who is  
5 the Chief Assessor in Bradford County and Eric  
6 Brown who is the Chief Assessor here in Wyoming  
7 County. I believe we each have some prepared  
8 remarks for you and we will be pleased to answer  
9 your questions.

10 Our association is, of course, a  
11 non-profit, non-partisan association representing  
12 all the Commonwealth's 67 counties. We appreciate  
13 the opportunity to appear before you today to  
14 present our comments on House Bill 657. You have  
15 heard the basic discussion of the basic provisions  
16 of Clean and Green.

17 One thing I would like to emphasize is  
18 some of the discussions talked about the loss of  
19 tax dollars for the county. Our approach to  
20 Legislation under consideration today isn't really  
21 a matter of taxation. Although, I will emphasize  
22 it's not just county tax dollars, but it's also  
23 municipal and school tax dollars that are affected  
24 because we do the assessments for all three.  
25 Really, it's a matter of equity. It's a matter of

1 equity for an individual who owns a comparable  
2 property but because of the acreage, the size of  
3 the lot, somebody doesn't qualify.

4 The Clean and Green program is  
5 administered by county assessment offices under  
6 guidelines of the Pennsylvania Bureau of Farmland  
7 Preservation. The decisions rest at the county  
8 level on whether a property meets the Clean and  
9 Green requirements and within the state guidelines  
10 what that preferential assessed will be. Most of  
11 the counties currently participate. Most of the  
12 counties will tell you if they didn't participate  
13 before, they almost always go into the program  
14 following a countywide reassessment. That, of  
15 course, is when most of the farms enroll in the  
16 program, following the reassessment.

17 The issue that gave rise to the  
18 Legislation is Act 156 of 1998. The act made a  
19 number of changes to the Clean and Green program,  
20 most of which we supported. The changes were  
21 recommended by the agricultural industry by our  
22 assessment offices and others and gave more  
23 clarity to a number of the provisions of the act.

24 However, Act 156 also contained  
25 language that reversed what was then a common

1 county practice of excluding the land on which a  
2 farmstead stood from the preferential assessment.  
3 We called that the base acre. It was our belief  
4 that that land wasn't available for agricultural  
5 or forest use and hence to have a preferential  
6 assessment. At the same time, by excluding that  
7 from the preferential assessment, it also  
8 maintained some equity with comparable properties.

9 I want to talk about that a little bit  
10 further, but I think I also need to emphasize for  
11 you that our association is a strong supporter of  
12 the agricultural community. We have a policy  
13 committee within the association dedicated  
14 specifically to agricultural issues.

15 Historically, we have supported the  
16 Clean and Green law. We supported most of what  
17 was in Act 156. We were active supporters of the  
18 agricultural conservation easement purchase  
19 program which parenthetically we also administer  
20 and for which the counties also put up matching  
21 funds.

22 We are particularly proud of that  
23 program because Pennsylvania has become the  
24 foremost state in the nation in the amount of  
25 agricultural land preserved and that's because of



1 the partnership between the state and counties.

2 We have supported the agricultural  
3 community on a number of other issues as well,  
4 on-lot sewage, nutrient management issues, land  
5 application of biosolids, some national issues  
6 related to milk price supports. I didn't mention  
7 this is my testimony, but my current president is  
8 also an active dairy farmer in Tioga County. So  
9 we are very conversant on the issues and very  
10 supportive.

11 Clean and Green and agricultural  
12 preservation are two of the association's top  
13 eight priorities for the year. Agricultural  
14 preservation, what we're primarily looking for are  
15 more funds to reduce the backlog of properties  
16 that have applied for that program. In Clean and  
17 Green, what we're looking for specifically is  
18 what's provided in the Legislation under  
19 consideration today.

20 I have to stress that we continue to  
21 strongly support Clean and Green preferential  
22 assessments. The objective is to improve the  
23 ability for farmland and forestland owners to  
24 exist as agricultural entities and to discourage  
25 the sale of their land for development by

1 providing tax relief through that preferential  
2 assessment, but Act 156 by preventing us from  
3 maintaining the assessment on the base acre  
4 created in inequities that we think needs to be  
5 addressed.

6 The inequity exists primarily where  
7 fundamentally residential properties qualify for  
8 enrollment in the program simply by having  
9 sufficient acreage. Those properties receive  
10 significant assessment reductions and that shifts  
11 the tax burden to otherwise comparable but smaller  
12 residential properties that cannot qualify for the  
13 program.

14 This is particularly acute with the  
15 so-called mini-estates that the Secretary alluded  
16 to earlier. These designed and intended as  
17 residential properties with no real intent for  
18 agricultural or timber production. They instead  
19 use the lot size as a means to achieve the  
20 preferential assessment to the disadvantage of  
21 other real property owners.

22 Just to give you an example, if you  
23 have two identical homes with one on a one acre  
24 parcel and one on a 15 acre parcel that qualifies  
25 for forest reserve, under Act 156 the entirety of

1 the land of the 15 acre property is preferentially  
2 assessed.

3 Typically, that would have a lower  
4 rate assessment than the one acre of land on which  
5 the other property sits. So the house on one acre  
6 actually ends up paying more taxes with an  
7 identical house than a house on 15 acres where the  
8 15 acres is preferentially assessed and where the  
9 base acre is also preferentially assessed.

10 The loss of tax revenue shifts the  
11 burden away from the preferentially-assessed  
12 properties toward the remainder of the tax base  
13 and sometimes, particularly up in this area, can  
14 result in an overall millage increase so the  
15 taxing jurisdictions can maintain the same level  
16 of revenue. Everyone pays that increased millage  
17 including the preferentially-assessed properties,  
18 but it does fall harder on the properties that are  
19 not preferentially assessed. I emphasize again,  
20 taxes are not the issue. The primary issue is  
21 that comparable taxpayers are not being assessed  
22 comparably.

23 An added problem is the paradox that  
24 this preferential assessment can actually  
25 accelerate development of forest land and

1 agricultural reserve land because it provides an  
2 incentive for developers to take large parcels and  
3 divide them into 10 acre parcels that qualify and  
4 then use the added incentive of a tax break to  
5 sell those properties off and develop them.

6 House Bill 657 addresses this issue by  
7 excluding the farmstead from preferential  
8 assessment on properties enrolled in the program  
9 as agriculture reserve or forest reserve. By  
10 doing so, the bill restores a measure of equity by  
11 placing mini-estates on par with other similar  
12 residential properties while allowing them the  
13 preferential assessment on the balance of the  
14 parcel.

15 In the example I gave earlier, by  
16 reestablishing the farmstead exclusion, the base  
17 acre would be assessed at the current market value  
18 rather than the preferential assessment. So that  
19 property now would pay at least the same rate as a  
20 property that doesn't qualify.

21 I will emphasize again, as did the  
22 Secretary, that the bill maintains the farmstead  
23 exclusion for the farmsteads that are in active  
24 agricultural use so they would continue to have  
25 the preferential assessment for all of the land

1 and we do support that distinction.

2 We argue that the preference should  
3 apply more particularly to land that is actively  
4 in or truly available for agricultural production  
5 and we think that is accomplished in House Bill  
6 657.

7 Thank you for your consideration on  
8 these comments. After the rest of the panel make  
9 their presentations, we would be happy to answer  
10 any questions.

11 CHAIRMAN HERSHEY: Thank you. I want  
12 to remind the speakers we're at a disadvantage  
13 here today. We don't have a microphone. I know  
14 people are having trouble hearing in the back. I  
15 ask the testifiers to speak a little louder, if  
16 possible, so the audience here today can  
17 appreciate what is being discussed.

18 MS. RUDOLPH: Good morning. I am Mary  
19 Lou Rudolph. On behalf of the Assessors  
20 Association of Pennsylvania, I would like to thank  
21 you for giving our organization an opportunity to  
22 make comment on this important issue.

23 The farmers of Pennsylvania need the  
24 Clean and Green program to be able to continue  
25 their profession. The major problem is that

1 people who are doing nothing to preserve farmland  
2 for the future are using the loopholes in the  
3 program to reap tax benefits. This ends up  
4 costing the farming community more in taxes  
5 because millage rates are higher.

6 We would like to see the acreage  
7 requirements raised to 25 acres and the income  
8 guidelines revised to reflect current values.  
9 Anyone farming on less than 25 acres would have  
10 the opportunity to provide evidence that they were  
11 producing a specialty crop or provide a Schedule F  
12 to document that they are farming.

13 As Chairman of the Clean and Green  
14 Committee for the Assessors Association, I  
15 surveyed all 67 counties on the Clean and Green  
16 program. The survey statistics show that in most  
17 counties that have the Clean and Green program, 20  
18 percent to 49 percent of their enrollment is  
19 properties under 15 acres.

20 In Fulton County, a 10 acre lot with a  
21 home on it that is in the Clean and Green program  
22 would pay anywhere from \$19.20 to a high of \$69  
23 per year on their land taxes which would include  
24 the county, township and school taxes. A one acre  
25 lot with the same house on it would be taxed at

1       \$196.02 for the year on their land taxes.

2               We have developers from outside our  
3 area coming in to Fulton County and buying farms  
4 and splitting them up into 10 acres and selling  
5 them as building lots. They have changed the use  
6 from agricultural use to agricultural reserve, but  
7 they still qualify for the program.

8               I would like to see House Bill 657  
9 passed to help slow down the destruction and  
10 elimination of our farmland. This situation has  
11 inflated the value of our farmland which makes it  
12 increasingly difficult for our farmers to be able  
13 to purchase more land to farm. If the farmer  
14 cannot purchase or lease the farmland needed to  
15 conduct his business, he would then lose his  
16 working farm.

17              I have been receiving complaints from  
18 the public regarding the Clean and Green program.  
19 The property owners with less than 10 acres feel  
20 that they are being treated unfairly. I believe  
21 that if changes were made to the program that  
22 would eliminate the loopholes, it would be easier  
23 to explain why the people in Clean and Green are  
24 getting a tax break for preserving farmland and  
25 open space.

1           If I could, I have a map I would like  
2       to show you. It's not a map, but a plot plan. In  
3       the year 2000, this was a 206 acre farm. This is  
4       what it looks like today, all lots. I don't know  
5       how well you can see it, but it's divided up into  
6       lots.

7           People from outside of the State of  
8       Pennsylvania bought this land. I don't think  
9       there was one person from the state of  
10      Pennsylvania who purchased this. It was strictly  
11      done as development. But they all qualify for  
12      Clean and Green and they get the Clean and Green  
13      tax break. Thank you.

14           CHAIRMAN HERSHEY: Thank you.

15           MS. ST. JOHN: Good morning. I'm Mary  
16      Kay St. John from Bradford County. Act 156  
17      initiated many changes to Act 319, Clean and  
18      Green, one of them being the reduction of the base  
19      acre to use value. Of all these changes, to  
20      Bradford County, this was the most inequitable  
21      one. It does not seem logical to consider  
22      improved land with a well, septic and a house as  
23      being capable of being tilled, open to the public  
24      or forested.

25           Before Act 156 went into effect, the



1 general public not included in the program was  
2 basically agreeable to the concept of the Clean  
3 and Green program. There was an understanding of  
4 the importance of keeping land open or forested or  
5 preserving family farms.

6 What my taxpayers do not understand  
7 now is why a parcel in Clean and Green with a home  
8 site just like all other home sites should be  
9 reduced solo as to hardly create any tax dollars.  
10 The reduction in assessment of the base acre is  
11 another benefit to taxpayers who are already  
12 receiving the maximum break while all other  
13 taxpayers are making up this difference.

14 In speaking to the public about the  
15 changes House Bill 657 is proposing, the reception  
16 is very favorable. They feel the farming  
17 community deserves the base acre break because a  
18 living is being made from the land and in some  
19 areas of this state, farming is a challenge.

20 There are few people that would not  
21 agree that it is fair and equitable to eliminate  
22 the base acre reduction from the agricultural  
23 reserve and the forest reserve categories because  
24 these categories have nothing to do with earning a  
25 living. The base acre break is a mere bonus, not

1 a necessity for these categories.

2 The reduction of the minimum acreage  
3 requirement for improved properties from 11 to 10  
4 acres has prompted the problem of mini-estates  
5 popping up all over this Commonwealth. For those  
6 of you who do not know what a mini-estate is, I'll  
7 explain.

8 This is a term we in the assessment  
9 field to describe Clean and Green parcels that are  
10 usually, but not exclusively, in agricultural  
11 reserve or forest reserve. They have large  
12 manicured lawns and in many cases have tennis  
13 courts and/or swimming pools. These currently  
14 receive the base acre reductions.

15 I cannot believe the intent of Act 319  
16 was to give these taxpayers a break for their very  
17 large lawns and privacy woods. I have found that  
18 this fosters ill feelings towards the program from  
19 not only those taxpayers that cannot qualify, but  
20 also from those in the program for the obvious  
21 reasons.

22 For the most part, I feel this program  
23 benefits our farming community. With a few  
24 changes, the undercurrent of dissatisfaction that  
25 is beginning to surface could be abated and the

1       benefits to the farmers could be greater.

2               One of the changes that I think should  
3       be considered is the raising of the minimum  
4       acreage to 25. Too many taxpayers own 10 acre  
5       parcels and have no other goal than to get the tax  
6       break the program offers. Smaller parcels owned  
7       by actual farmers could still be allowed in the  
8       program with simple proof of a Schedule F or some  
9       other similar document.

10              If we eliminate more of the parcels  
11       that are just riding on the shirttail of the  
12       program by only having the necessary acreage  
13       amount and nothing else, we could then see a  
14       greater tax relief for the active farms that do,  
15       indeed, need this program to stay alive and  
16       lucrative.

17              To give you an idea of the effect the  
18       base acre reduction has on Bradford County, I  
19       would like to give you a few figures. The total  
20       market value loss to the county for this reduction  
21       is almost \$55 million. The total market value  
22       loss to the county just for parcels 10 to 10.99  
23       acres is approximately \$3,390,000.

24              These figures have a great effect on a  
25       rural county. We have only 484 parcels left in

1 the 10 to 10.99 acre range that can still be  
2 enrolled. The total loss in tax values to all  
3 three taxing authorities for the entire Clean and  
4 Green program, just for your information, is  
5 approximately \$5,981,000.

6 Attached to your packet, there are  
7 some pie charts showing the effect of Clean and  
8 Green and what it has on Bradford County by  
9 acreage and also the potential loss for the  
10 future.

11 I would like to show you a map of  
12 Bradford County that has all of the parcels that  
13 are enrolled in the program. They are green.  
14 They are listed as green. The larger tracts that  
15 are brown are game lands, state forested land.  
16 The rest are in Clean and Green. I would think  
17 that most of the rural counties would look like  
18 this.

19 CHAIRMAN HERSHEY: Can you explain  
20 that again?

21 MS. ST. JOHN: The green parcels are  
22 parcels that are in the program. The larger  
23 tracts of brown areas are game lands or state  
24 forested land and then the remaining ones -- I  
25 think there's three large sections here, here and

1 here and the rest are not in the program. These  
2 don't include this year's enrollments. Thank you  
3 very much for allowing me to speak here today.

4 CHAIRMAN HERSHEY: Thank you.

5 MR. BROWN: Good morning. My name is  
6 Eric Brown. I am Chief Assessor of Wyoming  
7 County. Mr. Chairman, Honorable Representatives  
8 and their staff, on behalf of the citizens and  
9 residents of Wyoming County and the Wyoming County  
10 Commissioners, we welcome you here to our  
11 beautiful county.

12 The testimony that you have already  
13 heard has pretty much touched on the fact that  
14 there seems to be a little bit of a problem with  
15 the program. Make no mistake about it. We're not  
16 against the farmers. We're not against the  
17 farmers being in the program. In fact, we are  
18 very much for that. If you take a look at our  
19 county, we have quite a few sprawling farms and  
20 vast amounts of large forest lands, but we are  
21 losing them to what we call urban sprawl.

22 Clean and Green was brought about, in  
23 our estimation and our belief, back in 1988 for  
24 this county because we felt that that was one way  
25 that farmers could hold their lands together and

1 keep their farms as an operating unit.

2 Unfortunately, what it did in most  
3 cases was give the opportunity of not only getting  
4 reduced taxes, but there were no teeth in the  
5 program to prevent subdivision of these lands.  
6 Therefore, we're having a lot of problems with  
7 smaller tracts, as you have heard about already,  
8 about the mini-estates being established out of a  
9 lot of this farmland. We're losing a lot of that.

10 Some of our major industries here in  
11 Wyoming County are still farming and there's still  
12 timbering. We depend on that and we certainly  
13 want to give those landowners every possible break  
14 we can. Clean and Green is an excellent program  
15 in doing that. However, it just needs to be  
16 redefined and defined a little better.

17 I would like to get into a little bit  
18 of the aspects of what the base acre effect has in  
19 Wyoming County itself. Right now, approximately  
20 57 percent of our total land mass in Wyoming  
21 County is enrolled in the Clean and Green program.  
22 So you would think that that would have an  
23 unbelievable effect tax dollar-wise, but because  
24 our reval was done back in 1988, the difference  
25 between the values of the market value for each

1 particular piece of ground and the Clean and Green  
2 values that were established to them, there's not  
3 a big difference. We're not seeing a large amount  
4 of change right now in Wyoming County, but here's  
5 what happened.

6 Back in 1988 when we implemented our  
7 reval and talking specifically about the base acre  
8 now, we established a value of around \$4,500 for  
9 that base acre. Until the county undergoes  
10 another reval, that basic area value remains right  
11 to today. So today it's a \$4,500 market value on  
12 a base acre. When I say base acre, I mean it  
13 actually has a house on it and that one lot is  
14 actually developed with a septic well and  
15 utilities on the site.

16 So the revenue generation right now at  
17 \$4,500 is approximately \$160 and that's spread out  
18 with all the taxing funds. The base acre value  
19 under Clean and Green is \$470 and that generates  
20 \$17 more revenue. You can see there's quite a bit  
21 of loss.

22 The duty of the county and the duty of  
23 our office is to maintain equity uniformly and  
24 fairly. How do we maintain that with that base  
25 acre affect and that extreme loss of revenue? One

1 of the county's obligations -- and many counties  
2 have gone through it -- is to go through another  
3 reval.

4 Here's what happens to the base acre  
5 if we were to do a reval. It would not be \$4,500  
6 for the market value. It would be conservatively  
7 \$22,000. So in order to generate the same amount  
8 of revenue at that \$22,000 figure, the millage  
9 rate would have to drop down.

10 So at \$22,000 base acre times the  
11 millage rate, to generate the \$160 rate on that  
12 the Clean and Green value, what happened to that  
13 value? That's what's really important here. The  
14 market value jumped up considerably. The Clean  
15 and Green value will remain the same. When you  
16 apply the millage rate to the Clean and Green  
17 value later on, you're seeing \$3 generated as  
18 opposed to \$17.

19 You can see with the reval that the  
20 disparity between the two figures is just huge.  
21 We can't possibly maintain fairness in equity with  
22 that type of problem on our hands, but House Bill  
23 657 is a great start to get it back.

24 Let's get that base acre benefit back  
25 not just to the agricultural producer, but to the



1 Active Tree Farm programs and the Forest  
2 Stewardship plans and the people taking care of it  
3 and managing the wood lots and farmland. They  
4 deserve it absolutely. We need to use Act 319 as  
5 a prevention of urban sprawl and not agricultural  
6 activities. Thank you.

7 CHAIRMAN HERSHEY: Thank you. I have  
8 a question and anybody in the group can answer or  
9 take turns. Would you charge fair market value  
10 assessment for a base acre on forest reserve land  
11 that might have a structure but no utilities, no  
12 water, sewer, no electricity?

13 MR. BROWN: We charge the base acre,  
14 but we reduce it somewhat because the full  
15 utilities aren't there for that piece of ground.  
16 We would take a percentage off from that base  
17 acre, 50 percent or whatever, depending on the  
18 situation, where its location and the degree of  
19 improvement on that property.

20 MS. RUDOLPH: I would reduce it  
21 because the utilities are not there. It would  
22 probably be cut about in half because we don't  
23 have water and sewer or electric.

24 CHAIRMAN HERSHEY: Thank you. I will  
25 now open it up to the Committee.

1                    REPRESENTATIVE MAJOR: Thank you, Mr.  
2 Chairman. Mary Lou, I would like to ask you a  
3 question in your capacity as the president of the  
4 Assessors Association of Pennsylvania. As you  
5 know, the act was opened up back in 1998 because  
6 of some inadequacies. It was felt that counties  
7 were not interpreting the language of the law the  
8 same.

9                    Do you think that we have achieved  
10 that? Do you think the county, the county  
11 assessors are now in all 67 counties pretty much  
12 doing that or do we still have an issue about  
13 that? What's your feeling on that? You said you  
14 did a survey?

15                   MS. RUDOLPH: Yes, I did a survey of  
16 all the counties. I would say that there's a lot  
17 of confusion still, that things are not totally  
18 clear. I meet with the secretary of agricultural,  
19 my committee did recently and we are looking at  
20 revising the regulations to help clarify some of  
21 the issues that we felt were problems. So we're  
22 working towards some of the definitions so that  
23 there isn't a lot of gray areas that lead people  
24 to make the wrong decisions.

25                   I think that most assessment offices

1 are trying to do it the right way, but there's a  
2 lot of problems where they're not sure what the  
3 definition actually means. It's not clear enough.  
4 We're trying to define that. As a matter of fact,  
5 we have that completed and we are ready to send  
6 that to the secretary of agriculture here in the  
7 next week or two to try to help with just  
8 definitions and things like that. I think that's  
9 the major issues.

10 My committee, if there are any changes  
11 made, we have conferences twice a year where we  
12 will be having actually classes that train the  
13 assessors to do this uniformly and try to get  
14 everybody working on the same page, shall we say,  
15 with the program.

16 REPRESENTATIVE MAJOR: Thank you.  
17 Also Mary Kay made reference and you did also in  
18 your testimony with regard to this 10 acre issue.  
19 How do you think we best address that from a  
20 Legislative perspective? I very often hear from  
21 my constituents 15 acres, 25 acres. What I have  
22 come up with in my thoughts is that maybe we need  
23 to do it by class of counties. I know what my  
24 colleagues deal with in the southeast might not  
25 necessarily be what we address here in the

1 northeast. What would be your thoughts on that  
2 and how we as Legislators address that? What  
3 recommendations would you have on that?

4 MS. ST. JOHN: You're right. It does  
5 depend on the area of the state, the type of  
6 county that you have. I think that possibly the  
7 class of county might make a difference as to the  
8 size of the lots. That might diminish the  
9 realtors using this as a tool. Yes, that and the  
10 acreage, the square miles of the county have a lot  
11 to do with that. I believe we are one of the  
12 biggest counties, very rural.

13 MS. RUDOLPH: I'm also from a very  
14 rural county, but this is a major issue. It's  
15 very easy for people to get 10 acres of land and  
16 they are using them just as their yard or a  
17 hunting cabin with some woods on it. They are not  
18 doing anything to preserve the land.

19 Those are the people that we have the  
20 most problems with in our program. I've had more  
21 irate people coming in and saying, what are you  
22 saying I can't divide my land? well, you only  
23 have 10 acres. You can't because you're in the  
24 program. If you do, you're going to violate. I  
25 spend more time with those people

1        administratively. I would say 75 percent of my  
2        time administratively on the Clean and Green  
3        program is dealing with people with less than 15  
4        acres.

5                        One of the reasons why we picked 25,  
6        at the time we were talking about 25 acres, we  
7        were trying to be consistent with -- I think  
8        farmland preservation used to be 25 acres. I'm  
9        not sure if it's changed or not. We were trying  
10       to get some consistency there. But I think maybe  
11       some of those things have changed since we  
12       actually discussed the 25 acres.

13                      It would be more difficult to purchase  
14       a 25 acre parcel than a 10. That was our feelings  
15       with that. If they were farming even on the 10  
16       acres, there is ways to prove that with their  
17       Schedule Fs or just by the specialty crops and  
18       reporting what they are doing.

19                      MR. BROWN: I guess what's the benefit  
20       of somebody who gets 10 acres off a 200 acre farm?  
21       What's the benefit of you as a neighbor that is  
22       not able to get in the program? What benefit am I  
23       getting for you getting that tax break? That's  
24       what we really have to take a look at. We're not  
25       getting any benefit by that, are we? If you're

1 going to have 10 acres of ground and get that tax  
2 benefit, I want to know that I'm getting something  
3 in return. So what is that going to be?

4 Well, we want to know that they're  
5 either going to be doing some type of agricultural  
6 activity on that and that that activity is  
7 monitored through the Department of Agricultural,  
8 through the Natural Resource Conservation Service  
9 that they are implementing good conservation  
10 practices.

11 That's not only on farmland, but also  
12 it deals with land and timbering, erosion and  
13 sedimentation control. Those are all things that  
14 have to come into that. So if there's going to be  
15 an incentive for these people, an incentive to me,  
16 I want to know that I'm getting something out of  
17 that and my environment is being protected as  
18 well.

19 REPRESENTATIVE PICKETT: We have  
20 talked a little bit here today about how people  
21 qualify or qualifying land. We have used that  
22 term. If a county is, in fact, enrolled in Clean  
23 and Green, what is it that qualifies a piece of  
24 land to enter the program?

25 MS. ST. JOHN: In order to get into

1 the program, they have to have 10 acres. They can  
2 have a house on it. They can have structures on  
3 it. They have to establish that they meet one of  
4 the three categories, that they are either farming  
5 it, it's forested or they will leave it open to  
6 the public for passive recreation.

7 REPRESENTATIVE PICKETT: Could you  
8 define forested a little bit?

9 MS. ST. JOHN: It would be mainly wood  
10 lots. A lot of the people think brush is  
11 forested, which it really isn't, if they let it  
12 grow and let it grow up. I wouldn't consider that  
13 forested. At this point in time, we can't force  
14 them to produce a forestry plan.

15 REPRESENTATIVE PICKETT: They don't,  
16 in fact, have to be producing anything?

17 MS. ST. JOHN: Not really, just having  
18 trees there.

19 REPRESENTATIVE PICKETT: I often hear  
20 people say they have to be producing \$2,000 worth  
21 of that, but that is not correct; is that right?

22 MS. ST. JOHN: That's for parcels that  
23 are under 10 acres.

24 REPRESENTATIVE PICKETT: Maybe just a  
25 little illustration of some of the lakefront

1 properties that we ran into in Bradford County?

2 MS. ST. JOHN: Yes, we do have quite a  
3 controversial problem with a property that's on a  
4 very nice exclusive lake. The person that owns  
5 the property has a very elegant cottage. Those  
6 lot values are close to \$100,000 a lot. The sales  
7 have been coming through at probably more than  
8 that now because our base is before 2000.

9 This particular person happened to  
10 have several acres of pine trees out behind his  
11 house and has a tennis court out there. When Act  
12 156 went into effect and he heard about the base  
13 acre reduction, he combined that piece with his  
14 lot, with his lakefront property and that dropped  
15 his \$100,000 lot value down to \$67. Of course,  
16 that creates quite a problem for the other people  
17 around the lake.

18 MR. CALLEN: Does the public go there  
19 to play tennis?

20 MS. ST. JOHN: Yeah, right.

21 REPRESENTATIVE PICKETT: Mary Kay,  
22 just one more emphasis. You have a statement in  
23 your testimony of the total loss in taxes in  
24 Bradford County to the three taxes bodies -- and  
25 we know the school districts suffer the most on



1 this just because their tax base is higher -- is  
2 nearly \$6 million. In fact, those taxes aren't  
3 lost, are they? They are applied to someone else  
4 because they obviously have to be.

5 MS. ST. JOHN: They are picked up  
6 elsewhere from people that don't qualify for the  
7 program or choose not to be in the program.

8 REPRESENTATIVE PICKETT: Thank you,  
9 Mr. Chairman.

10 CHAIRMAN HERSHEY: Thank you.  
11 Representative Coleman, any questions?

12 REPRESENTATIVE COLEMAN: The  
13 structural definition when you're saying passive  
14 recreation, what does that mean?

15 MS. ST. JOHN: Passive recreation  
16 would be hiking, birdwatching. It wouldn't  
17 necessarily allow for four-wheelers, that type of  
18 thing but biking, bicycle.

19 REPRESENTATIVE COLEMAN: Do they have  
20 to list one of those definitions when they're  
21 making the application?

22 MS. ST. JOHN: No, they do not have to  
23 list what they would allow the land to be used  
24 for. They would just have to be aware that they  
25 cannot refuse to allow somebody to go across their

1 land or would ask permission that we might want to  
2 take a hike.

3 REPRESENTATIVE PICKETT: Mary Kay, is  
4 there not, though, a clause in there that says  
5 unless it might cause some damage to something on  
6 their property?

7 MS. ST. JOHN: Yes.

8 REPRESENTATIVE PICKETT: It could be  
9 pretty easily stated in most cases?

10 MS. ST. JOHN: Yes.

11 REPRESENTATIVE PICKETT: If I weren't  
12 traveling around with your map with all the green  
13 spots on it, how would I know which parcel I'm  
14 allowed to walk across or not?

15 MS. ST. JOHN: You would never know.

16 MR. HILL: Let me see if I could  
17 respond to that as well. We recently had some  
18 calls in our office asking whether that  
19 information is public record. It is public  
20 record. So someone could find out what those  
21 properties are, but then the extension of that  
22 question was, does the county have the obligation  
23 to publish the list? And, no, we do not. So  
24 while it is available to the public for passive  
25 recreation, the public, as you say, would have to

1 go hunting to find out which properties qualify.

2 CHAIRMAN HERSHEY: Representative  
3 Grucela?

4 REPRESENTATIVE GRUCELA: Thank you,  
5 Mr. Chairman. Pardon my naivety take about some  
6 of these questions, but I want to go back to  
7 Representative Pickett when the secretary was  
8 testifying. I can understand and respect  
9 uniformity with all the counties.

10 I'm a little confused and I just got  
11 filled in a little earlier. Assume theoretically  
12 I buy a 100 acre farm. Could I then divide it  
13 into ten 10 acre parcels, develop it and have 10  
14 homes and I don't have to prove any agricultural  
15 use or I have to do those things?

16 MS. ST. JOHN: If you did that, you  
17 would have to prove one of the three categories.  
18 If it's capable of being farmed but it's no longer  
19 being farmed, that's ag reserve.

20 REPRESENTATIVE GRUCELA: I could build  
21 one heck of a house on 10 acres.

22 MS. ST. JOHN: Yes.

23 REPRESENTATIVE GRUCELA: My other  
24 question, though, even though it's statewide, the  
25 local township -- I mean, what about subdivision

1       ordinances and zoning ordinances? I mean, I was a  
2       township supervisor many, many years ago.

3       Wouldn't you have to have some kind of road? If  
4       you abut a state highway, I think you need a  
5       permit to attach to the state highway if you put a  
6       road in. Is there no governance from the local  
7       level that stops this?

8               MS. ST. JOHN: The planning commission  
9       will come into that respect. They may be able to  
10      address that question better than I can. But,  
11      yes, in my county, Bradford county, I do believe  
12      there has been some changes to that where  
13      subdivisions of properties would be required to be  
14      on a road and have some piece of land that would  
15      attach it to the road.

16             REPRESENTATIVE GRUCELA: So that could  
17      almost in a sense buffer or stop some of that,  
18      wouldn't it? How about density? I heard you use  
19      the words structures plural. Could I put more  
20      than one house on the 10 acres?

21             MS. ST. JOHN: Yes, you could. Now,  
22      planning might have a say in that.

23             REPRESENTATIVE GRUCELA: How about  
24      zoning and density? Wouldn't I be changing a use?  
25      Wouldn't that have to go to a zoning hearing board

1 because I'm changing a use from agricultural to  
2 residential?

3 MS. ST. JOHN: It might be better if  
4 you ask that of the township planning commission.  
5 At this point, I, in my county, have not seen a  
6 problem with parcels being divided up into 10 acre  
7 pieces, but I do know there's something on the  
8 horizon about having a second house and maybe  
9 requiring you to subdivide that out. Then that  
10 would drop your acreage amount.

11 MR. HILL: The designation of the  
12 Clean and Green doesn't change the underlying  
13 zone. If it's zoned for agricultural use, it  
14 could still only be used as an agricultural use,  
15 but it can qualify for the program regardless of  
16 the zone as long as it meets the 10 acre minimum  
17 or the \$2,000 production.

18 REPRESENTATIVE GRUCELA: I have one  
19 last question. Assuming this became law, what  
20 about the farmer, though, who wants to perhaps,  
21 based upon minor subdivision -- I don't know what  
22 they call it anymore, his family. Suppose he  
23 wanted to give 10 acres to a son or daughter and  
24 subdivide that and suppose that son or daughter  
25 still worked on the farm. I guess what I'm

1 looking for is does that have a negative on the  
2 farmer who might do that?

3 MS. ST. JOHN: No. There is a  
4 provision in the act that allows for heirs, Class  
5 A heirs to subdivide it up.

6 REPRESENTATIVE GRUCELA: So that  
7 protection would still be there for a farmer?

8 MS. ST. JOHN: Yes.

9 REPRESENTATIVE GRUCELA: Thank you.

10 CHAIRMAN HERSHEY: I have a question  
11 and it came up in earlier comments here or it may  
12 have been in my own comments. Has it been  
13 observed where someone buys 10 acres and builds a  
14 substantial house? They shouldn't expect a  
15 reduction on that house because it's on ag land.  
16 Do you notice that in any of your counties?

17 MS. RUDOLPH: On the house  
18 specifically?

19 CHAIRMAN HERSHEY: Yes, on the house  
20 specifically.

21 MS. RUDOLPH: Just because they have  
22 an exclusion on the 10 acres, it does not give  
23 them a right to have a reduction on that house?

24 MS. RUDOLPH: No, we haven't had a  
25 problem with that.

1           CHAIRMAN HERSHEY: I thought that  
2 might be a problem someplace.

3           MR. HILL: The structure is assessed  
4 the same as a non-qualifying property. It's the  
5 underlying land that's the issue.

6           CHAIRMAN HERSHEY: Jay has a question.  
7 Jay Howes?

8           MR. HOWES: On this discussion of  
9 eligibility primarily for the agricultural  
10 reserve, the discussion possibly of 25 acres or  
11 making it more difficult to qualify for the ag  
12 reserve category, have any of you given any  
13 thought to additional -- suppose we were to stay  
14 at 10 acres. What additional eligibility  
15 requirements might be suggested beyond open to the  
16 public, the passive recreation which essentially  
17 is the limitation at this point. In other words,  
18 is there another way at this? Have you given that  
19 any thought?

20           MS. RUDOLPH: To make them have  
21 another requirement you're saying?

22           MR. HOWES: Yes.

23           MS. RUDOLPH: I think one of the  
24 things, if we had -- and I don't know if we could  
25 do this -- a requirement that this can no longer

1 be subdivided, that they know they cannot  
2 subdivide it any further or even put some kind of  
3 covenant on it that says it must remain 10 acres  
4 forever without changing the actual -- I mean, the  
5 use is agricultural reserve which is open to the  
6 public.

7 I think for one thing we should  
8 publicize that more, what is open to the public  
9 and to let people know. I know a lot of people in  
10 my county do not know. The only thing I would be  
11 afraid of is if I went on a 10 acre parcel I might  
12 get shot. That's a little scary. I live in a  
13 rural county and you have to be a little cautious  
14 with that.

15 MR. BROWN: The agricultural reserve,  
16 depending on whose interpretation it really is, if  
17 it's up personnel from the Bureau of Forestry  
18 looking at brush starting to develop, of course,  
19 that's woodlands as far as they're concerned. To  
20 them, that is forested land. It's starting to  
21 come back into a forest situation. Agricultural  
22 reserve is a very easy situation to get out of if  
23 you find yourself being caught up in that on this  
24 10 acre parcel. Just simply go in and reforest it  
25 according to a Bureau of Forestry guidelines.



1 It's very simple.

2 MS. ST. JOHN: I have a suggestion. I  
3 think anyone in ag reserve should post a little  
4 sign out front that says welcome picnickers,  
5 hikers.

6 MR. CALLEN: Tennis pros.

7 MR. HOWES: This is maybe nothing that  
8 we need an answer to today, but as we look at this  
9 problem, I think we have almost two separate  
10 issues. We have the base acre issue that has been  
11 highlighted and certainly highlighted in the bill.

12 Then we have this ease, if you will,  
13 of getting into the ag reserve category. That had  
14 been suggested in other conversations and maybe  
15 that's another way at the same problem or another  
16 level of solution. As you think about this and  
17 have further discussions, if there is anything you  
18 want to pass along, we would be very open to it.

19 MR. HILL: Perhaps a couple points.  
20 On ag reserve, there had been some discussion of  
21 perhaps keying it to soil types. So whether the  
22 land was capable of productive agricultural use  
23 could figure in. That's something a little bit  
24 more than I think some of our assessment offices  
25 would like to get into.

1                   On the matter of passive recreation,  
2 we're also to blame in some respect, particularly  
3 the counties that were earliest into the Clean and  
4 Green program because they didn't really emphasize  
5 that point perhaps as much as they should to the  
6 prospective applicants. Conversely, should we get  
7 to the point that we would actually publish a list  
8 of here's the available properties, certainly I  
9 think that would slow down the enrollment. But  
10 that also causes problems doing that  
11 retrospectively to the people who got in this  
12 program under, should I say, a little more lax  
13 enforcement.

14                   As to the forest reserve, the one  
15 thing to consider there is if they are truly  
16 forest reserve, should they qualify only if they  
17 have a genuine forest management plan? We don't  
18 have an official position on that for forested  
19 land.

20                   CHAIRMAN HERSHEY: Representative  
21 Major has a question.

22                   REPRESENTATIVE MAJOR: Thank you, Mr.  
23 Chairman. We touched a little bit earlier on this  
24 application process. I think Representative  
25 Pickett addressed it to Mary Kay. Talk a little

1 bit more, expand a little more. In other words,  
2 an individual that buys land comes in with an  
3 application to the assessment office?

4 MS. ST. JOHN: Yes.

5 REPRESENTATIVE MAJOR: Is that  
6 application pretty much standard through all the  
7 counties that utilize the program or do you each  
8 develop your own application? How does that work?

9 MS. ST. JOHN: I was under the  
10 impression, with Act 156, they standardized the  
11 application that most of the counties use. Now,  
12 they may tweak them a little bit here and there,  
13 but for the most part, I believe they are fairly  
14 similar.

15 REPRESENTATIVE MAJOR: In other words,  
16 there is no other criteria on the application, no  
17 other questions on the application that address  
18 anything else other than how much acreage do you  
19 own and if it says 10 acres, you're in? Is that  
20 pretty much your evaluation of the applications or  
21 does it get into more details?

22 MR. BROWN: Once the application is  
23 submitted, we ask the applicant to come in for a  
24 review process and we go over the aspect of his  
25 land. We'll have a copy of the aerial photograph

1 of his property there and ask him to outline what  
2 activities are actually taking place on each  
3 aspect of that piece of ground.

4 This part of Pennsylvania is heavy  
5 into bluestone quarrying aspect right now. So  
6 that's one of the major things we're looking for,  
7 if there is some type of quarry operation going on  
8 on that property. Is it forested? Do you have a  
9 management plan on that? How does that relate to  
10 the rest of your property and your long range  
11 goals? So we do ask all those questions.

12 CHAIRMAN HERSHEY: Dave Callen has a  
13 question.

14 MR. CALLEN: This is more for the  
15 panel. Even though we're all sitting here talking  
16 about the base acre and we all know what the base  
17 acre is, it's really not defined in the statute as  
18 an acre, half an acre.

19 I can see the minute that you start  
20 trying to rope in some of these properties, having  
21 passed this along the road here, facing challenges  
22 because somebody is going to say, well, no, it  
23 should only be a half an acre. I've seen million  
24 dollar homes built on less than a quarter of an  
25 acre down at the beach. Do we need to define that

1 in the statute as we role along on this and if so,  
2 should it be an acre, two acres?

3 MR. BROWN: The base acre is just what  
4 we're saying. It's an acre.

5 MR. CALLEN: You have no support in  
6 court for that based on the statute.

7 MR. BROWN: The support is that if you  
8 talk to anybody doing construction of a house,  
9 actually it really does take about an acre for the  
10 house itself, the well, the distance the well has  
11 to be from the septic system and amount of drain  
12 field required for that septic system, driveway,  
13 utilities.

14 Yes, it takes an acre. That's why we  
15 uniformly use the basis acre. We don't really  
16 have any questions on that, but your former  
17 question about a cabin in the woods without those  
18 things, then there is a question on that. But for  
19 the sake of uniformity, we maintain one acre.  
20 There's been no question on that. I think if you  
21 maintain uniformity, then there won't be a  
22 problem.

23 MS. ST. JOHN: I think some counties  
24 are different and some of it is because what is  
25 required for subdivision. Some counties require

1 at least two acres, some require three. Bradford  
2 County I believe at this point is one and that was  
3 also adopted with our reassessment, that a base  
4 acre, a homesite acre was one acre. I would  
5 assume most counties adopt that.

6 MS. RUDOLPH: Mine also. I think most  
7 of our townships have adopted one acre homesites  
8 and they won't issue a building permit unless you  
9 have city water and city sewer to it. There is a  
10 one acre requirement to have a well and septic  
11 system put on that property. So that would be  
12 uniform for us also.

13 CHAIRMAN HERSHEY: Very good. This  
14 has been very helpful and very informative. Are  
15 there any other questions?

16 REPRESENTATIVE COLEMAN: A brief  
17 question, Mr. Chairman, and maybe Doug can answer  
18 this. Has there been anything, as we look at the  
19 larger discussions about property tax reform, the  
20 impact that this particular program has had on  
21 property tax bills when you look at the map of  
22 Pennsylvania? What is the overall impact. Would  
23 this be kind of a natural segue into the case for  
24 property tax reform because you have huge chunks  
25 of money not now available to you?

1 MR. HILL: It's certainly a part of  
2 it. The question you're asking is part of what  
3 the assessors association tried to address. I  
4 don't know if you want to answer that  
5 specifically, but in the larger context of tax  
6 fairness, any property that you preferentially  
7 assess, whether it's for agricultural uses or for  
8 some of the other preferential programs, has an  
9 effect because it pushes the tax burden to some  
10 other segment of the tax paying public.

11 MS. RUDOLPH: I think in the survey  
12 that I conducted it was especially difficult for  
13 more rural, smaller counties. The larger counties  
14 had a much bigger tax base that relied on maybe  
15 business or industry or residential properties,  
16 the suburbs were paying the taxes.

17 In a rural county where you have a lot  
18 of farms, a lot of game lands, forestland it's  
19 terrible. I think in my county about 11 percent  
20 of my properties are paying taxes at full market  
21 value and the rest are all getting the  
22 preferential assessment.

23 My map would look exactly like Mary  
24 Kay's. I don't have GIS yet, but the only thing  
25 that might be different is I might have more game

1 lands and more forestry department. I can  
2 guarantee you that mine would be just as green as  
3 hers is if we had the capability.

4 REPRESENTATIVE COLEMAN: The reason I  
5 ask is most of the discussion surrounding property  
6 tax reform has been schools because that's the big  
7 chunk of the bill. This issue seems to be one at  
8 the county level that would be significant. Thank  
9 you. Thank you, Mr. Chairman.

10 CHAIRMAN HERSHEY: Again, thank you  
11 very much.

12 REPRESENTATIVE GRUCELA: Can I ask one  
13 quick one? Isn't there an Act 515 or is it not  
14 pertinent to this problem?

15 MS. RUDOLPH: I don't have that. I  
16 don't know enough about that. It was not in my  
17 county.

18 MS. ST. JOHN: I believe it is phasing  
19 itself out.

20 CHAIRMAN HERSHEY: I think you're  
21 right. Before Act 319 in Chester County, we used  
22 515 in the southeast counties. Other counties  
23 weren't seeing the pressure yet until we passed  
24 319, but I think it's being phased out and 319 has  
25 taken over.



1 REPRESENTATIVE GRUCELA: Thank you.

2 CHAIRMAN HERSHEY: Thanks again. It  
3 was very, very informative. Next we will have  
4 John Bell, Chief Counsel for Pennsylvania Farm  
5 Bureau.

6 MR. BELL: I've never had a problem  
7 speaking loudly. My wife tells me sometimes I  
8 speak too loud. Good morning. As the Chairman  
9 indicated, my name is John Bell. I am counsel for  
10 Governmental Affairs for Pennsylvania Farm Bureau  
11 I am offering testimony on behalf of the Farm  
12 Bureau today.

13 Pennsylvania Farm Bureau is a  
14 statewide general farm organization representing  
15 33,400 farm and rural families in the  
16 Commonwealth. Our organization wants to thank the  
17 members of the Committee for the opportunity to  
18 share with you our views regarding House Bill 657  
19 and the subject of Pennsylvania's Clean and Green  
20 Act in general.

21 I would first like to focus my  
22 attention on the provisions of House Bill 657.  
23 House Bill 657 tries to correct a requirement that  
24 the 1998 amendments to the Clean and Green Act  
25 imposed with respect to the base acre. Previous

1       testifiers have pretty well defined the base acre  
2       as that supports and immediately surrounds the  
3       home, farm buildings and other out buildings on  
4       land enrolled in Clean and Green.

5               Prior to 1998, counties had  
6       interpreted the act to authorize the county to  
7       exclude that base acre from Clean and Green's use  
8       value assessment and allow the county to assess  
9       the base acre at full assessment value.

10              In years immediately prior to 1998, a  
11       number of counties that perform countywide  
12       reassessments attempted to place what we  
13       considered and what many farmers considered to be  
14       excessively high assessment values on base acres  
15       within farms.

16              Although farmers were eventually able  
17       to receive the fair assessment values on the base  
18       acre that they really should have received  
19       initially, they had to fight through the court  
20       process and bear substantial legal costs in order  
21       to overcome the resistance that counties had given  
22       them in the process.

23              The General Assembly in 1998  
24       recognized the inherent unfairness of allowing  
25       counties to impose normal assessment valuation of

1 base acres within farms. The farm home and the  
2 farm buildings are integral parts of the farm  
3 family's successful operation on the farm.

4 The 1998 amendments established a  
5 clear statutory directive that land supporting the  
6 farm home and farm buildings should be equally  
7 considered a part of agricultural use and receive  
8 the benefit of being assessed at Clean and Green  
9 value, just as any other portion of land used in  
10 agricultural production.

11 Farm Bureau in 1998 strongly supported  
12 the General Assembly's effort to establish this  
13 directive and close what we believed to be a  
14 loophole that unfairly advantaged counties and  
15 disadvantaged farmers.

16 The 1998 amendments did not just  
17 require counties to assess base acres within  
18 agricultural use lands at Clean and Green value.  
19 As previous testifiers indicated, the amendments  
20 also required counties to assess base acres within  
21 lands that are enrolled in Clean and Green under  
22 the category of forest reserve at Clean and Green  
23 value.

24 The 1998 amendments have also been  
25 generally interpreted to require counties to

1        assess base acres within lands enrolled under the  
2        category of agricultural reserve at Clean and  
3        Green value. Farm Bureau had will no position at  
4        that time on whether base acres within  
5        agricultural reserve or forest reserve tracts  
6        should receive Clean and Green value.

7                Since then, our members have revisited  
8        the issue of whether base acres within  
9        agricultural reserve and forest reserve lands  
10       should receive the lower Clean and Green  
11       valuation. We concluded that these lands should  
12       not receive Clean and Green value on the base  
13       acre.

14               Our membership generally believed that  
15       the justification for Clean and Green assessment  
16       of base acres within family farms enrolled as  
17       agricultural use was not as readily apparent in  
18       the case of lands enrolled as forest reserve and  
19       not apparent at all in the case of lands enrolled  
20       as agricultural reserve.

21               Our policy, therefore, supports  
22       changes to the Clean and Green Act to limit the  
23       requirement for Clean and Green assessment of the  
24       base acre to only those lands enrolled as  
25       agricultural use.

1           House Bill 657 does exactly what our  
2 policy would recommend. We, therefore, support  
3 the amendments to the Clean and Green Act  
4 contained in House Bill 657 and would recommend  
5 these amendments be reported favorably from the  
6 Committee for full consideration by the General  
7 Assembly.

8           I'm afraid the discussion today of the  
9 Clean and Green Act will not be limited to House  
10 Bill 657. I suspect you will hear suggestions  
11 from various groups calling for wholesale changes  
12 to the Clean and Green Act and claims that the  
13 act, particularly the 1998 amendments to the act,  
14 has created confusion in interpretation and has  
15 exacerbated development of farms and rural areas.

16           Let me offer several points in  
17 response. First of all, let me emphasize that the  
18 Clean and Green Act has been very beneficial to  
19 the farmers of this Commonwealth. Although local  
20 tax burdens on farmers continue to be high, the  
21 Clean and Green Act has given many farmers  
22 significant tax relief.

23           The act has also given those who rent  
24 land to farmers for agricultural production the  
25 opportunity to offer these lands at rental prices

1 that are affordable to farmers. As agriculture  
2 continues to grow and change to meet economic  
3 demands, the need for farmers to rent additional  
4 land for farm production at affordable prices will  
5 become even more critical to the future viability  
6 of agriculture in the Commonwealth.

7 Secondly, the effect that the act may  
8 have had in encouraging the creation of  
9 mini-estates was not, in our opinion, primarily  
10 caused by the 1998 amendments to the act. The 10  
11 acre minimum requirement for eligibility of  
12 enrollment of land as forest reserve and  
13 agricultural reserve has remained essentially  
14 unchanged since 1974 when the act was first  
15 enacted.

16 The 1998 amendments merely required  
17 the base acre to be counted in determining whether  
18 the minimum acreage requirement was met and  
19 required that the base acre be assessed at Clean  
20 and Green value. Even without the 1998 changes,  
21 the opportunity was there for the development of  
22 mini-estates and for nearly all of the acreage  
23 within the mini-estate to receive Clean and Green  
24 assessment.

25 what the 1998 amendments to the act

1 did do -- and we think this is very important --  
2 was to clarify a number of interpretations that  
3 counties had made to the act that were not  
4 beneficial to farmers.

5 Among the important and helpful  
6 clarifications provided in the 1998 amendments --  
7 and I didn't list them all, but there are several  
8 more important amendments -- were to clarify and  
9 clearly establish the basis to be used by all  
10 counties in determining whether lands were  
11 eligible for Clean and Green enrollment as the  
12 total contiguous area to be enrolled and not just  
13 an area of any individually-deeded parcel.

14 The amendments also prohibited  
15 counties from imposing residency requirements or  
16 other requirements not specifically prescribed in  
17 the act as a condition for eligibility of  
18 enrollment.

19 The amendments also prohibited  
20 counties from charging excessive fees in Clean and  
21 Green applications as well as prohibiting  
22 assessments of rollback taxes on transfers of  
23 whole farms from one person to another. The  
24 amendments also prohibited assessment of rollback  
25 taxes against an owner of Clean and Green land for

1 unauthorized land uses committed by an owner of  
2 split-off land.

3 Representative Grucela, without going  
4 into real detail of what split-off land is,  
5 split-off land is more akin to situations where  
6 the farmer wants to give a few acres to son and  
7 daughter. Some interpretations by counties would  
8 have assessed the farm father rollback taxes on  
9 violations that the son may have committed. The  
10 1998 amendments clarified that and made it clear  
11 the farm father was not going to be assessed.

12 The amendments also authorized -- and  
13 we think this is equally important. I mentioned  
14 this important benefit years ago in previous Clean  
15 and Green hearings and that is to authorize  
16 supplemental income enterprises other than retail  
17 marketing of farm products to be operated on Clean  
18 and Green farms without serious rollback taxes.  
19 There were very stringent interpretations of what  
20 enterprises that supplemented farm income and were  
21 very necessary to continuation of farm income  
22 during those shallow income years were allowed.

23 Thirdly, we are very concerned that  
24 many governmental officials would not be satisfied  
25 merely by the changes to the act proposed in House



1 Bill 657, but will want changes that are more  
2 substantial and eventually detrimental to farmers  
3 under the general assertion that the act needs to  
4 be, quote, clarified.

5 Numerous local officials came before  
6 this Committee in 1999 in an effort to encourage  
7 this Committee to support Legislation to delay the  
8 effective date of the 1998 amendments. During  
9 that testimony, while they were concerned with the  
10 administrative aspects of implementing the 1998  
11 amendments, many of the comments that were offered  
12 by local officials sharply criticized not only the  
13 wisdom of the 1998 amendments to the act in whole,  
14 but also the wisdom of the act itself.

15 We also saw attempts by several  
16 counties after the 1998 amendments went into  
17 effect to interpret the act's provision that  
18 placed maximum caps on assessment values that  
19 counties could assign to categories of Clean and  
20 Green as requiring the counties to raise the  
21 assessment values of agricultural use land to the  
22 maximum values.

23 The net effect of these attempts was  
24 to hurt, through increased property taxation, the  
25 very farmers that this act is supposed to benefit.

1 Eventually, through threat of litigation and  
2 political pressure from farmers, the  
3 interpretation was corrected, but it certainly  
4 left a very uneasy feeling among the agricultural  
5 community about the negativity of attitudes that  
6 local officials may have on the act.

7 We have not seen and we have heard  
8 very few positive comments from local officials  
9 since 1998 praising the wisdom of the act and the  
10 benefit that it provides in relieving taxed  
11 farmers of tax burdens.

12 In light of this, we think we have  
13 some legitimate concerns about what may become of  
14 bill through the Legislative process and what may  
15 be the final set of amendments that are included  
16 in the final version of the bill.

17 We also have some concern about how  
18 counties may be administering and enforcing the  
19 act, particularly with respect to those categories  
20 of Clean and Green that local officials seem to be  
21 most troubled with.

22 It seems logical to us that many of  
23 the mini-estates that have been created should  
24 only be eligible for enrollment under the  
25 agricultural reserve category. The act requires

1 owners of agricultural reserve land to keep their  
2 land open to the public for outdoor recreation and  
3 enjoyment of scenic beauty.

4 Unlike owners of agricultural use and  
5 forest reserve properties, use of agricultural  
6 reserve land by the public is the only legitimate  
7 justification for providing these owners with tax  
8 breaks.

9 As the July 11th edition of the Erie  
10 Times reported in its article, Private Lands Open  
11 to the Public -- I have included a copy of that  
12 article with my prepared statement -- county  
13 officials acknowledge that counties on the whole  
14 do not actively maintain a list of these  
15 agricultural reserve lands for the public, nor do  
16 they make a meaningful effort to inform the public  
17 of the availability of these lands for public  
18 recreational use.

19 We cannot help but wonder why local  
20 officials who have been actively condemning the  
21 unfairness of tax breaks provided to mini-estate  
22 landowners have not been more active in ensuring  
23 the public takes full advantage of the obligation  
24 of public access that the act requires landowners  
25 of ag reserve land to provide for their tax break.

1                   Fourthly, we question how reasonable  
2 or accurate the claims of loss that local  
3 officials have made about the Clean and Green  
4 program really are. It appears to us and the only  
5 figures that we have seen is that the data that  
6 has been produced at this point has attempted to  
7 measure and identify revenue loss in terms of the  
8 difference in revenue that has resulted from the  
9 entire Clean and Green program.

10                   Revenues not paid by owners of  
11 agricultural use lands, farms, is included in the  
12 calculations of loss that has occurred, not just  
13 forest reserve and ag reserve. We believe the  
14 inclusion of farms in the analysis of loss does  
15 not reasonably measure the degree of unfairness  
16 that local officials are claiming to exist under  
17 the Clean and Green program.

18                   It also seems that the data compiled  
19 on revenue loss does not paint a complete picture  
20 of the net effect that Clean and Green properties  
21 have on local governments' operating budgets.  
22 Loss is only measured by what additional tax  
23 revenues municipalities would have received if no  
24 Clean and Green program were in place.

25                   The data does not attempt to measure

1 the additional costs that municipalities would  
2 need to incur in providing educational and other  
3 municipal services to Clean and Green lands if  
4 these lands would be developed for residential  
5 use.

6 A recent study of net fiscal impacts  
7 of land uses by Dr. Timothy Kelsey of Penn State  
8 University which is summarized in the Penn State  
9 Extension Circular, Fiscal Impacts of Different  
10 Lands Uses/the Pennsylvania Experience, shows that  
11 local governments receive from farmers and owners  
12 of larger undeveloped land tracts significantly  
13 more in tax revenue than local governments spend  
14 in providing these farmers and landowners with  
15 local services.

16 Relative to costs, local governments  
17 receive a significant tax gain from farms and  
18 other land areas that are not developed. The  
19 study also shows that municipalities spend more  
20 money in providing governmental services to  
21 residential taxpayers than municipalities receive  
22 from residential taxpayers in taxes.

23 In weighing the merits of the Clean  
24 and Green program, we believe that the Legislature  
25 needs to consider the relative cost savings to

1 local governments resulting from Clean and Green  
2 properties and the limitations in development  
3 imposed under the act as well as the relative  
4 differences in tax revenues that are paid by  
5 owners of Clean and Green properties.

6 In sum, Farm Bureau supports the  
7 amendments to the Clean and Green Act proposed in  
8 House Bill 657. At the same time, we caution the  
9 Committee and the General Assembly not to make  
10 comprehensive changes to the act. We believe that  
11 the act is already accomplishing many of the goals  
12 the act intended to accomplish.

13 House Bill 657 will make what we  
14 believe is good Legislation even better. We also  
15 believe that whatever particular problems counties  
16 may encounter in interpreting the act can be  
17 solved through clarification of the regulations or  
18 by an application of common sense and a positive  
19 attitude toward the act and its intended goals.

20 Again, we thank you for the  
21 opportunity to share our views with you on House  
22 Bill 657 and the Clean and Green Act. I will be  
23 happy to try to answer any questions you may have.  
24 Thank you.

25 CHAIRMAN HERSHEY: Thank you, Mr.

1 Bell. In listening to your testimony, you're  
2 telling me that the Farm Bureau generally agrees  
3 with this House Bill 657?

4 MR. BELL: We not only generally agree  
5 with it, we support the amendments that this bill  
6 is proposing.

7 CHAIRMAN HERSHEY: That's good to  
8 hear. Now for questions. Representative Major,  
9 comments, questions?

10 REPRESENTATIVE MAJOR: Thank you, Mr.  
11 Chairman. This is more of a comment than a  
12 question. I certainly thank you for being here  
13 today on behalf of Farm Bureau and your support of  
14 House Bill 657. It's very important to farming  
15 community to know that it is not my intent to  
16 effect the farming community.

17 I certainly recognize all that they do  
18 for our communities and the challenges they face  
19 as farmers with the cost that they incur to do  
20 farming today. So that with that said, I just  
21 want to thank you for your testimony and your  
22 support here today.

23 MR. BELL: I thank you very much. I  
24 hope that you as prime sponsor and members of the  
25 Committee what will not only endorse and try to

1 move this Legislation through the General  
2 Assembly, but we hope you will try to protect this  
3 Legislation from being Christmas treed through a  
4 series of amendments which may positively impact  
5 some areas of the Commonwealth but may negatively  
6 impact other areas of the Commonwealth.

7 As you're very well aware in the  
8 General Assembly's dealing with local tax issues  
9 recently, it is very difficult to try to develop  
10 and try to develop consensus with a single piece  
11 of Legislation and apply that single piece of  
12 Legislation throughout the Commonwealth.

13 Often when you try to do that, some  
14 communities are benefiting and some communities  
15 are not. It's just difficult to do and the Clean  
16 and Green Act is no exception. Whenever you try  
17 to make clarifications to this act, you may well  
18 be having impact to the act that are not readily  
19 foreseen.

20 I would just caution you during your  
21 guidance of this Legislation through the General  
22 Assembly that you make sure this bill isn't  
23 Christmas treed and whatever amendments might come  
24 of this bill to your bill are looked at very  
25 carefully.



1                    REPRESENTATIVE MAJOR: I thank you for  
2                    that. Please understand that I sincerely  
3                    understand the original intent of the Clean and  
4                    Green Legislation of the act and I appreciate the  
5                    intention of the original act. I would certainly  
6                    do what I could to prohibit any Christmas treeing  
7                    of this Legislation. I would like to see it in  
8                    its original form and whatever changes that could  
9                    come in, it's my intent to keep your thoughts in  
10                   mind. Thank you.

11                   MR. BELL: Thank you.

12                   REPRESENTATIVE PICKETT: Mr. Bell, you  
13                   have a lot of activity on tourism, trying to  
14                   develop tourism and trying to make it a great  
15                   revenue in this area. Whenever I read a survey  
16                   about what people would most like to see if they  
17                   come into the rural territories, they would like  
18                   to see the farmland. So not only the fact that  
19                   our farmers are attempting to make a living at  
20                   farming, people like to see the farmland space.

21                   In your one area here you talk about,  
22                   which would be very, very true, that governmental  
23                   bodies have to supply more services to smaller  
24                   residential pieces of land because there are more  
25                   people, more children, whatever than that farm is

1 ever going to require from those government  
2 bodies.

3 I'm just curious. I mean, I could  
4 give you pretty much a list of realtors in the  
5 area who are making a focus really of looking for  
6 farms that are no longer -- they don't have a  
7 buyer for them for agricultural use. So they are  
8 buying the farm or the developers are buying the  
9 farm and turning it into smaller acreages, more  
10 residents, more need for government. So you are  
11 exactly right on that. Does Farm Bureau, in fact,  
12 have any opinion at this point on whether or not  
13 this should stay at a 10 acre entity?

14 MR. BELL: Our policy position is  
15 rather an interesting and a rather unique  
16 position. It was one that when our members  
17 adopted it I really had some difficulty  
18 understanding it, but I guess as time goes on, I  
19 sort of understand the wisdom of it.

20 I think our farmers look at the issue  
21 of Clean and Green probably from the aspect that  
22 many farms, and certainly as counties reassess,  
23 more and more farms are enrolling or have enrolled  
24 their farms in Clean and Green.

25 our policy position would support

1 maintaining the 10 acre minimum for originally  
2 enrolling farms within Clean and Green. However,  
3 once the farm is enrolled, our policy would  
4 support a minimum acreage for separation which is  
5 the larger subdivision that is allowed in Clean  
6 and Green to be 25 acres.

7 Again, at first blush, it sort of  
8 seemed inconsistent, but I think farmers have  
9 looked at this program from a very pragmatic  
10 stance and from a position that many farms are  
11 already enrolled in Clean and Green.

12 So this 10 acre minimum, if there is  
13 some farmland out there that's 10 acres -- it may  
14 not meet the 25 acre minimum -- this 10 acre  
15 minimum would allow a new farmer, a young farmer  
16 who may not have the financial resources to buy  
17 much more than 10 acres or to fully engage in  
18 farming to sort of go part-time for a little bit  
19 and work off the farm the opportunity to enroll  
20 that farm in Clean and Green.

21 For those farmers who are full-time  
22 and have enrolled their lands in Clean and Green,  
23 that 25 acre requirement would discourage, I  
24 think, the mini-estate development because, for  
25 one thing, I think it would be more difficult to

1       sell 25 acres.

2               Secondly, the subdivision, even if it  
3       would be subdivided, the owners of the subdivided  
4       tracts would still have to continue to use that  
5       property consistently with the Clean and Green Act  
6       at least within the first seven years of the  
7       program.

8               Once they would use it for, let's say,  
9       further development within the first seven years,  
10      they would be assessed rollback taxes of not only  
11      on the subdivided portion, but on the entire farm  
12      originally enrolled. As time goes on, I've seen  
13      the light to what our members adopted what I  
14      originally thought was kind of a peculiar  
15      position.

16              REPRESENTATIVE PICKETT: We're working  
17      very much in this area to try to implement and use  
18      the farmland preservation programs. But with the  
19      way things are going, when they look further down  
20      the road, even 10 years down the road and someone  
21      with all this farmland saying, I don't want to  
22      farm it, my family doesn't want to farm it, it  
23      probably makes more sense to let this farm get  
24      broken up than it really does to put it in  
25      preservation because of the future of my family's

1 investment that they have there and that's a  
2 concern also I would think.

3 MR. BELL: Regardless of the Clean and  
4 Green act, I think the continuation of the  
5 farmer's farm within his family or her family is a  
6 very legitimate concern across the Commonwealth.  
7 Farmers aren't sure whether their sons and  
8 daughters are going to want to continue and if  
9 their sons and daughters aren't going to want to  
10 continue and aren't going to want to set up the  
11 financial structure to give farmers that sort of  
12 retirement income that they need or the transition  
13 of the farm to the succeeding generation, many  
14 farmers are very concerned about that. What is  
15 going to become of my farm and where is my  
16 retirement income going to come from?

17 The one thing good about the Clean and  
18 Green act is that it does lower the value of the  
19 farm because it's just more difficult to develop  
20 it. It's not as attractive to buyers, although  
21 some may question that, but it's not as attractive  
22 to buyers. Hopefully those young people who are  
23 very interested in agricultural -- and I'm seeing  
24 more and more young people becoming interested in  
25 agricultural, not necessarily of particularly farm

1 families who want to engage in the business of  
2 agricultural. It will give them the opportunity  
3 to buy that farm at a lower cost.

4 CHAIRMAN HERSHEY: Thank you. Down  
5 the line?

6 REPRESENTATIVE GRUCELA: I was only  
7 going to comment, Mr. Bell. My comment was going  
8 to be pretty much what you said to Representative  
9 Major, but less realistically. You think it's a  
10 good bill and you hope we don't screw it up.

11 MR. BELL: I think it's a good bill  
12 and there shouldn't be any amendments.

13 REPRESENTATIVE GRUCELA: I think so  
14 too. I'm happy to be a co-sponsor. I think it's  
15 a good bill. Thank you.

16 CHAIRMAN HERSHEY: Thank you.

17 MR. HOWES: Mr. Bell, a quick question  
18 and maybe an answer could be quick as well.

19 MR. BELL: Sometimes that's difficult.

20 MR. HOWES: I think you raised some  
21 legitimate concerns about the bill, but even with  
22 your support of the basic provisions, do you think  
23 there is a risk that return to the pre-1998  
24 situation where there was at least the perception  
25 that counties were artificially inflating the

1       assessed value of the base acre and, in essence,  
2       offsetting completely the preferential assessment  
3       on the balance of the parcel? Do we need to think  
4       about a safeguard against that? I was surprised  
5       that wasn't in your list of cautions, frankly.

6               MR. BELL: I think the bill itself  
7       maintains agricultural use value assessment for  
8       the base acre within farms. Certainly, that has  
9       always been the Farm Bureau's primary concern that  
10      should have been addressed and was addressed in  
11      the 1998 amendments.

12             with lack of clarification of the base  
13      acre issue and valuation of the base acre issue or  
14      any other aspect of the Clean and Green Act or of  
15      any law, there's always the danger of providing  
16      discretionary interpretation that will lead to  
17      unfair and inequitable results.

18             Hopefully counties that did experience  
19      the contention that was created prior to 1998 when  
20      they inflated those base acre values will have  
21      learned the lesson from the pre-1998 experience  
22      and will apply assessment valuation in a very  
23      pragmatic and supportive way and in a way that  
24      won't breed class action lawsuits.

25             CHAIRMAN HERSHEY: Thank you very

1 much.

2 MR. BELL: Thank you.

3 CHAIRMAN HERSHEY: Thank you, John,  
4 and thanks for coming. Next we have a panel  
5 consisting of Elam Herr from the Pennsylvania  
6 Association of Township Supervisors and several  
7 supervisors. When they get seated, I will ask  
8 them to introduce themselves. Please come  
9 forward.

10 MR. HERR: I am Elam Herr. I'm the  
11 Assistant Executive Director of the State  
12 Association of Township Supervisors. With me  
13 today are several township officials from the  
14 northern tier who would like to present testimony  
15 on the issues before us. Before we get started, I  
16 will just go down the line and let them introduce  
17 themselves. Then I have a few comments and we  
18 will turn it over to them each individually. So I  
19 will start to my right.

20 MR. SANDS: Gerald Sands, Township  
21 Supervisor in Nicholson Township here in Wyoming  
22 County.

23 MR. STONE: Donald Stone, Ararat  
24 Township, Susquehanna county.

25 MR. BAYNE: Bill Bayne, President of



1 the Susquehanna County Township officials and  
2 Liberty Township Supervisor.

3 MR. WALTER: Jack Walter, Township  
4 Supervisor, Athens Township.

5 MR. GREENE: Michael Greene, Township  
6 Supervisor Thompson Township, Susquehanna county.

7 MR. HERR: Again, Mr. Chairman, thank  
8 you. I want to thank the entire members of the  
9 Committee who are present today to hear our  
10 testimony. The association represents 1,457  
11 townships of the second class throughout the  
12 Commonwealth. We are a nonprofit organization  
13 similar to what the county commissioner said  
14 earlier.

15 I also would like to take this  
16 opportunity to thank Representatives Major and  
17 Pickett who worked on this subject and for putting  
18 up with me in the last couple of years trying to  
19 get this concept moved forward.

20 Townships comprise 95 percent of the  
21 Commonwealth's land area and are home to more than  
22 5.1 million Pennsylvanians, nearly 42 percent of  
23 the state's population. These townships are very  
24 diverse, ranging from rural, agricultural  
25 communities with fewer than 200 residents to more

1 urban, populated communities with populations  
2 approaching 70,000 residents.

3 PSATS believes that the agricultural  
4 resources of Pennsylvania's communities are  
5 essential to our economic viability and quality of  
6 life. Agricultural enterprises use and conserve  
7 renewable natural resources and open space and  
8 their continued presence maintains Pennsylvania's  
9 rural culture, lifestyles and traditional economy.

10 PSATS believes that the preservation  
11 of agriculture and prime agricultural land is a  
12 wise investment in the future of the Commonwealth.  
13 Our association is a strong supporter of the  
14 agricultural community.

15 In commenting today on the  
16 Pennsylvania Farmland and Forest Land Assessment  
17 Act, known as the Clean and Green, we want to make  
18 it abundantly clear that we support this valuable  
19 program which has reserved large amounts of open  
20 space by authorizing lower assessments and  
21 property taxes on agricultural land. We believe  
22 this is an important tool to help agriculture  
23 survive while protecting valuable agricultural  
24 land from development.

25 However, there are fundamental

1 problems in the Clean and Green program that are  
2 hampering its benefits to agriculture in the  
3 community. Changes made by Act 156 of 1998 that  
4 allowed farmstead land on 10 acre lots in  
5 agricultural reserve and forest reserve lands to  
6 receive reduced assessments have substantially  
7 increased the sale of second homes on large 10  
8 acre lots, not only here in Northeast  
9 Pennsylvania, but throughout the state.

10 Under Clean and Green, agricultural  
11 reserve and forest reserve lands do not have to be  
12 engaged in agriculture. Instead, landowners must  
13 own at least 10 acres to qualify, including the  
14 farmstead land or, as previously stated, the base  
15 acre.

16 Land in agricultural reserves must  
17 permit public access and, again, something that's  
18 not readily known or practiced. While intended to  
19 benefit agriculture, the program is now benefiting  
20 many who are not affiliated with agriculture. In  
21 turn, townships are faced with shrinking tax bases  
22 and are often forced to increase taxes to make up  
23 for the loss. Meanwhile, many individuals with  
24 elaborate second homes are paying less in taxes  
25 than the modest home on a half acre lot down the

1 road.

2 Today we are here to offer our strong  
3 support for House Bill 657 which would prohibit  
4 farmstead land on forest reserve lands and  
5 agricultural reserve lands from receiving reduced  
6 assessments under the Clean and Green program.

7 Under House Bill 657, those farmstead  
8 lands on land actively used for agricultural  
9 purposes would continue to be assessed at the  
10 reduced rate. This would ensure that farmers  
11 receive the benefit of reduced assessments while  
12 non-farmers would not.

13 The Clean and Green Act may be working  
14 successfully in some areas of the state,  
15 particularly those with strong development  
16 pressures that are losing significant amounts of  
17 farmland. However, what works successfully in one  
18 area of the Commonwealth may not work in other  
19 areas. In this diverse state, it is difficult to  
20 develop a one-size-fits-all program that works  
21 equally well in the southeast as it does in the  
22 northern tier.

23 The Clean and Green Act as amended by  
24 Act 156 of 1998 is one such example. What has  
25 happened in the last few years is rather simple.

1 The rules to the Clean and Green program changed  
2 after the 1998 amendment and the free market took  
3 advantage of these changes. Because of the  
4 farmstead land provision, the assessments for many  
5 townships, particularly here from the northeast,  
6 have dropped dramatically in the last few years.

7 In response, townships have tightened  
8 their belt buckles and looked for creative ways to  
9 survive including the elimination of services.  
10 However, belt tightening only works to a certain  
11 extent. Townships have mandated duties such as  
12 road maintenance and must have enough income to  
13 fulfill these responsibilities.

14 Because of the 1998 amendments, many  
15 townships have been forced to raise property  
16 taxes, thus burdening already economically weak  
17 areas. It should be noted that by raising taxes,  
18 the advantages of the Clean and Green program to  
19 the agricultural community are reduced because all  
20 taxes are increased. In addition, property tax  
21 increases frequently place the tax burden on the  
22 backs of fixed income residents who can little  
23 afford it.

24 In response to these problems, our  
25 membership established a policy at the

1 association's 2001 state convention to support  
2 Legislative language that became House Bill 657.  
3 Again, this bill would allow agricultural reserve  
4 and forest reserve land to be preserved through  
5 reduced assessments, but the farmstead would be  
6 assessed at its full value.

7 For your information, an additional  
8 policy was adopted by our membership at the 2002  
9 state convention which calls for Legislation to  
10 give counties the option to set the minimum  
11 acreage for the Clean and Green program at either  
12 10 or 25 acres. Again, this is for agricultural  
13 reserve or forest reserve lands.

14 To give you a better picture of the  
15 problem, the township supervisors with us today  
16 will talk about how Clean and Green has affected  
17 their communities. Also attached to this  
18 testimony is a copy of an article on the problems  
19 with Clean and Green from the March 2003 issue of  
20 the Pennsylvania Township News.

21 At this time I would also like to  
22 state that it should be noted that our association  
23 has been working and meeting with the County  
24 Commissioners Association, the Assessors  
25 Association, the School Board Association, the

1 Pennsylvania Farm Bureau as well as the Department  
2 of Agriculture on this very issue.

3 I think this shows that we all support  
4 the program of Clean and Green, but what we only  
5 want to do now is to make it fair and equitable  
6 based on what has happened in the 1998 amendments.  
7 At this time, Mr. Chairman, I will turn it over to  
8 the individual township supervisors and we will  
9 make ourselves available for any questions when we  
10 are all concluded.

11 MR. BAYNE: Committee members, ladies  
12 and gentlemen, I would like to thank you for this  
13 opportunity. I would also like to mention that I  
14 have 220 acres that is in forest reserve.

15 While virtually everyone agrees with  
16 the intent of Clean and Green and all I've spoken  
17 with agree with the need to help our farmers and  
18 reserve farmland, there is less support for ag  
19 reserve and forest reserve especially as now  
20 interpreted in the regulations.

21 I strongly support House Bill 657  
22 which a number of you have introduced as a  
23 necessary first step in reforming Clean and Green.  
24 Act 156 of 1998, while well-intended, made a bad  
25 situation worse especially in the many areas of

1 the state that are similar to Susquehanna County  
2 with much open land, low population density,  
3 relatively low land values and income.

4 Act 156 had the effect of lowering  
5 taxes significantly on 10 acre mini-estates, many  
6 of which are second homes, while increasing taxes  
7 on farms and other large pieces of land and  
8 putting the taxes on properties not qualified for  
9 Clean and Green out of sight. Many of these  
10 smaller properties are owned by either retired  
11 people or new families starting out.

12 Over 75 percent of the land area of  
13 Susquehanna county is in Clean and Green. The  
14 figure for Liberty Township is 79.5 percent.  
15 Liberty Township has 848 acres which just changed  
16 hands and is likely to go into Clean and Green  
17 which will put us up to about 84 percent.

18 Between 1991 and 2000, the median lot  
19 size in Susquehanna County has gone from 6 acres  
20 to 10.1 acres. Clean and Green has effectively  
21 taken away our right to zone for any lot size  
22 smaller than 10 acres. The obvious is that 10  
23 acre lots use up our land at five times the rate  
24 of two acre lots and increases costs to our  
25 township by spreading out development, thereby



1       destroying more open space.

2               while down state 10 acres is open  
3       space, in the north tier and other rural areas, it  
4       means taking a 300 acre farm and cutting it up  
5       into thirty 10 acre lots. while greatly  
6       increasing demands on the township, this also  
7       takes the land out of the local economy. It is  
8       unlikely that any ag or forest product will ever  
9       come off any of this land again and 10 acres of  
10      lawn is certainly not conducive to most wildlife.

11              Clean and Green is a developer's dream  
12      come true. Buy land cheap, pay very little taxes  
13      and when circumstances are right, subdivide and  
14      only then pay seven years back taxes.

15              while Clean and Green has virtually  
16      destroyed our already weak tax base, those of us  
17      with many working in New York State do not have  
18      the ability to enact the earned income tax. We  
19      have no other options. We have no tax base to  
20      work with to plan for the sprawl that Clean and  
21      Green creates.

22              Other states see this as an unfunded  
23      mandate and reimburse municipalities for their  
24      loss of revenue. In Pennsylvania, the poorer  
25      parts of the state are forced to subsidize those

1       wealthy enough to afford a second home.

2               In talking to Representative Bunt last  
3       April, he feels Clean and Green is working  
4       well in his area of the state, the southeast. I  
5       agree and we do not want to mess up a good thing.  
6       We need options based on such things as population  
7       density, per capita income, land values, etc.

8               Susquehanna County Township officials  
9       introduced and received overwhelming support for  
10       two resolutions at the 2001 and 2002 PSATS  
11       conventions. The first supported House Bill 657  
12       prior to it being written and the second would  
13       have given counties the option of a minimum Clean  
14       and Green lot size of 10 or 25 acres.

15              I also believe we should be looking at  
16       such things as requiring the adoption and  
17       implementation of Stewardship plans to qualify for  
18       forest reserve. We need options to make Clean and  
19       Green work for all areas of the State. Thank you.

20              CHAIRMAN HERSHEY: Thank you.

21              MR. GREENE: Chairman Hershey,  
22       Committee members, Thompson is a small rural  
23       township with a population of approximately 440 in  
24       northeast Susquehanna County. We most strongly  
25       support the efforts of Representative Sandra Major

1 and all in House Bill 657 to amend the Clean and  
2 Green Act of December 19th, 1974.

3 To begin, I would like to say that  
4 Thompson Township wholeheartedly supports the  
5 preservation of open space and our fast  
6 disappearing farmland, but Clean and Green, as its  
7 presently written, is destroying the tax base in  
8 my township.

9 Approximately 54 percent of the  
10 township's parcels are either owned by out of  
11 State or non-local Pennsylvania residents. They  
12 are divided up farms and woodlands and creating 10  
13 acre bowling alley parcels that, due to Clean and  
14 Green, reduces the assessment value by nearly 50  
15 percent.

16 As an example, in 2002, the township's  
17 assessed value was \$11,539,100 with new building  
18 assessed at 497,500. In 2003, the assessed value  
19 for the township was 11,782,500 with an increased  
20 assessment of 243,000, an increase of only 47  
21 percent. The actual real estate taxes collected  
22 in 2002 was \$100,523. As of August 1st of this  
23 year, the township has collected 78,654 on its way  
24 to a budgeted forecast of only \$99,000 in real  
25 estate taxes.

1           The problem is fairly obvious and is  
2 due in large part to the inclusion of the reserved  
3 farmstead act in the assessment break. The  
4 farmstead acre needs to be assessed separately  
5 from the 10-plus acre plot.

6           The vast majority of vacation  
7 retirement homes that are being built will never  
8 be farms and the people living in them have no  
9 intention of farming. The non-local people who  
10 own these homes utilize our services but pay a  
11 disproportionally small amount of taxes to support  
12 those services and our school district. As a  
13 result, our beautiful land is being divided up  
14 into 10 acre plots as our tax base implodes.

15           That is not what Clean and Green was  
16 meant to do. Does it work in the suburbs outside  
17 the large cities? Yes. But not in rural  
18 Susquehanna County. It does not keep developers  
19 at bay. They can easily pay the back taxes up to  
20 seven years when they put in a development that  
21 breaks from Clean and Green. Those back taxes are  
22 a pittance in relation to the vast amount of money  
23 the developer will realize.

24           We in Thompson Township want to  
25 preserve our heritage. Clean and Green was

1 intended to protect farmers from excessive  
2 taxation in order to preserve our precious  
3 farmland and open space. Open spaces are not 10  
4 acre plots with a huge house which is not  
5 equitably taxed.

6 The people who own property here  
7 should pay a fair tax here to support the  
8 municipality and school district whether they live  
9 in New York, New Jersey or Philadelphia. Thank  
10 you for your time.

11 CHAIRMAN HERSHEY: Thank you.

12 MR. STONE: Chairman Hershey,  
13 Committee members, Ararat Township is, again,  
14 another example of a small rural community of  
15 approximately 18 square miles in northeast  
16 Pennsylvania.

17 Basically, when I became the  
18 supervisor, the main source of income in our area  
19 was dairy farming. Today we only have two active  
20 dairy farms. No other major business has come to  
21 take their place. There are a few small family  
22 run businesses, but most farmers and their  
23 families have had to learn other trades and  
24 commute to jobs in neighboring cities. They  
25 subdivide and sell their acreage to developers and

1 buyers that live outside the township.

2 In the past 10 years, our population  
3 growth has gone from 420 to 531 residents, roughly  
4 a 26 percent growth. Because of the attractive  
5 tax structure, we see that level of growth  
6 continuing and increasing. People from New  
7 Jersey, Philadelphia and other cities continue to  
8 buy properties here to build vacation homes. Most  
9 buy 10 acre minimum size but don't comply with the  
10 requirements of the Pennsylvania Farmland and  
11 Forest Land Assessment Act of 1974.

12 In the meantime, they enjoy low taxes  
13 afforded by the act while the burden of tax  
14 revenue falls on the remaining farmers and  
15 full-time residents who in many cases have similar  
16 houses but on smaller lots.

17 An example taken from our records is a  
18 10 acre parcel not in Clean and Green is assessed  
19 at \$9,500 but a parcel of 10 acres in Clean and  
20 Green is assessed at \$30. In 1994, the assessed  
21 value of properties in Ararat Township was  
22 13,978,000. In the next 10 years, there was new  
23 construction in the amount of \$3 million, but the  
24 assessed value of properties only increased by  
25 \$226,000.

1 Ararat Township has a total of 694  
2 taxable parcels of land and 448 parcels of land  
3 with improvements and 246 parcels with land only.  
4 There are 201 parcels of 8,711 in Clean and Green.  
5 That's 72 percent of the total taxable acres in  
6 the township. I have attached a table with these  
7 various things.

8 We are doing positive things on our  
9 own to encourage controlled development of our  
10 township and increase tax revenues to the area.  
11 The township is combining with several other  
12 contiguous municipalities to develop a  
13 multi-municipal comprehensive plan designed to  
14 retain the benefits of our rural communities while  
15 attracting low-impact businesses to increase  
16 revenue.

17 We want to support House Bill 657.  
18 Hopefully it will reinstate the base acre  
19 exemption and allow communities to use full  
20 valuation of dwellings for taxation purposes.  
21 Thank you.

22 CHAIRMAN HERSHEY: Thank you.

23 MR. WALTER: I'm Jack Walter, Athens  
24 Township. Athens Township is in support of House  
25 Bill 657. However, we have a major concern on how

1 you are going to describe how a parcel of land  
2 will be able to qualify for Clean and Green or not  
3 qualify.

4 We think that the acreage is not a  
5 good measure of how a parcel of land should be  
6 qualified or not qualified. We believe that the  
7 actual use should determine how the land is  
8 qualified and that the bill should clearly define  
9 what forest reserves or agriculture or whatever  
10 that you're going to qualify the land is and that  
11 that be the governing factor on whether the Clean  
12 and Green Act applies to it rather than the  
13 acreage size.

14 Some of the farms in my township --  
15 and we are a rapidly urbanizing township and we're  
16 losing our dairy farms very quickly. But a lot of  
17 them are 25, 30, some of them are 40 acres and our  
18 feeling is that the developers, if you set 25  
19 acres as the minimum that would qualify, that they  
20 would make it 26. The farm right next to me was  
21 115 acres. It was purchased and developed and  
22 they broke it up into four different lots of about  
23 30 acres each.

24 So we're very concerned on that 25  
25 acre or 10 acre limit. We think that it needs to



1 be done by the actual use of the land and the  
2 actual use that qualifies really needs to be  
3 clearly defined on what will qualify and what will  
4 not.

5 Right now 68 percent of our township  
6 is in Clean and Green. There's about 3 percent  
7 that is non-taxable like churches and cemeteries  
8 and the rest is not qualified for Clean and Green  
9 or in Clean and Green and they are carrying a big  
10 load of the tax burden. Thank you.

11 CHAIRMAN HERSHEY: Thank you.

12 MR. SANDS: Gerald Sands, Supervisor  
13 of Nicholson Township. I thank the Committee for  
14 allowing us to testify today. Our township is a  
15 very small rural township. We presently have 15  
16 active farms. Out of them, there are 24 farms  
17 that they rent and use that are active.

18 When it comes to the agricultural  
19 reserves to the 10 acre subdivisions from our  
20 major farms, most of the subdivisions are  
21 basically just a subdivision. They are posted  
22 properties so there is no outside activities or  
23 involvement in them. They won't allow any  
24 agricultural farm to be done on their property.

25 Basically, all we have done is taken

1 the big farm and made it into a subdivision. What  
2 has happened is the subdivision falls under the 10  
3 acres and there's no other qualifications to keep  
4 it the way it is. There is no policing done to  
5 make sure it falls under agricultural reserves,  
6 open spaces or forest reserves. As it was  
7 testified to earlier today, as soon as a rose bush  
8 starts, they feel they have a forest reserve  
9 started. That's not what the original Act 319 was  
10 meant to be.

11 We in Nicholson Township do support  
12 House Bill 657. We think that minimum acreage is  
13 not really the determining value here also. It's  
14 got to be shown where the reserves are going to be  
15 open, where they are going to eventually be forest  
16 reserves or agricultural products taken from these  
17 as a reserve and your active farms. There again,  
18 we are in support of it. Thank you.

19 CHAIRMAN HERSHEY: Thank you. That's  
20 quite a variation of townships and activity or  
21 lack of activity. Thank you for coming. Where do  
22 we start here? Representative Major?

23 REPRESENTATIVE MAJOR: Thank you, Mr.  
24 Chairman. I just want to acknowledge that there  
25 are other supervisors in the audience who have

1 presented to me testimony that they would also  
2 like to share with the committee. They certainly  
3 agree with what the other supervisors here today  
4 have indicated in their testimony, but they wanted  
5 me to share with the Committee the specific  
6 numbers of the negative losses, the impact that  
7 the Clean and Green, the Legislation that we  
8 addressed in 1998 had on the community.

9 I would like to present that for  
10 testimony. This is on behalf of Franklin Township  
11 in Susquehanna County. These are the figures and  
12 the impact that Clean and Green has had on their  
13 communities.

14 CHAIRMAN HERSHEY: That will be given  
15 to staff and it will remain on the record.  
16 Representative Pickett?

17 REPRESENTATIVE PICKETT: First of all,  
18 I want to thank all the supervisors for coming and  
19 giving us their testimony today because I would  
20 imagine as a supervisor in a township, you know  
21 about every piece of land in your township and one  
22 by one you see the effects of what has gone on  
23 here. So I really appreciate the testimony. It's  
24 very, very important here today.

25 Also as I was sitting here listening,

1 I was thinking -- Mr. Herr, I'm certainly not  
2 asking you to speak for your counter part, the  
3 boroughs, but I was thinking as the township feels  
4 the stress of all of this development of their  
5 land and the changes in their tax base and the  
6 difficulties with all of that and what this  
7 particular issue we're talking about today has  
8 done to the values of their land, would not the  
9 borough sort of testify in the reverse and say  
10 that because this 10 acres of land is able to be  
11 developed the way it is outside of our borough,  
12 that our boroughs are having the difficulty of  
13 maintaining people within those confines and  
14 making people want to have that property within  
15 the borough?

16 In fact, their tax base is eroding  
17 also in a different way because their values are  
18 not there because I will go out and get 10 acres  
19 or 15 acres and then put my house there because  
20 I'm going to have a much less tax bill than I'm  
21 going to have on that piece of a quarter acre,  
22 half acre, whatever it is in that borough lot.

23 Also just to comment, we, the  
24 taxpayers, are in many cases spending dollars to  
25 improve our downtowns and save our downtowns when,

1 in fact, this may be one more way we are pulling  
2 the values off of those downtowns. As we spread  
3 our services out, this costs more. I'm just  
4 wondering how they would have seen this?

5 MR. HERR: I will qualify it that I  
6 won't speak for the borough association, but I  
7 think your comments are correct. It's just  
8 another means for people deciding to move out into  
9 the country. Whether it's a big portion of their  
10 decision or a small portion, that I cannot answer.

11 Whether they are moving from the  
12 borough that township may surround or moving in  
13 from New York or New Jersey up in this area, it's  
14 the idea that people do look at their tax bills.  
15 If I can get a bigger home and maybe on more land,  
16 which is what used to be called the American  
17 dream, for less dollars over a period of time,  
18 people are going to do that.

19 The act was put into effect years ago  
20 to help the farmers which I think everyone here  
21 realizes is not the most lucrative occupation, but  
22 a lot of time for the return you get, you have to  
23 want to be a farmer.

24 If I can sell my land and get a good  
25 price for it and I'm reaching that age of

1 retirement and I don't have anybody who wants to  
2 take it, they are going to do it. On one side,  
3 you can see the farmer's aspect and on the other  
4 side, you see the people who want to buy the land.

5 I live in Lancaster County. Chairman  
6 Hershey will verify it. We grow houses more than  
7 we grow corn anymore in some parts of ours because  
8 from the farmers' perspective who are getting up  
9 there in age, it's more to their economic value to  
10 do it and the developers are paying for it.

11 Programs like Clean and Green are to  
12 help the farmers and our members support that. We  
13 have got to take care of this little loophole so  
14 we don't see what is happening in this county  
15 happen everywhere.

16 MR. GREENE: Somebody mentioned about  
17 tourism in Pennsylvania and we were talking about  
18 boroughs. Again, I'm not speaking for the  
19 borough. Within Thompson Township, there is the  
20 borough of Thompson.

21 The way I would look at it is Clean  
22 and Green wants to preserve farmland so people  
23 would come to Thompson Township to see the  
24 farmland. That's beautiful tourism. Then they  
25 would go into the town and they would eat or

1 whatever or stay in a hotel or something to that  
2 effect or buy antiques and then leave or whatever.

3 I think maybe with a strong Clean and  
4 Green correct to protect the farm, you are also  
5 going to help the urban centers because you want  
6 people to say it's beautiful here. Let's go and  
7 then let's have dinner or lunch or whatever. So I  
8 think maybe that would help us work together.

9 CHAIRMAN HERSHEY: Mr. Walter.

10 MR. WALTER: Our township surrounds  
11 three boroughs. We're developing the new downtown  
12 of the valley. I have watched the local  
13 businessmen in the boroughs. The store fronts are  
14 maybe 25 feet wide. They are one right on top of  
15 each other. There is no parking. Everybody talks  
16 about the downtowns, the old downtowns competing  
17 against the new big department stores and stuff  
18 like that.

19 When I look at the mind-set of the  
20 people that are doing that, they don't want to be  
21 innovative. They don't want to make an investment  
22 to bring people in on specialty-type things. But  
23 everybody says we have to save those downtowns.  
24 It's a dilemma and I appreciate that. I am sorry  
25 to see the downtowns of the boroughs that are in a

1 fixed environment continue to go down.

2 Big government can pour all kinds of  
3 money in it, but unless there is some action and  
4 innovation and determination on the local guys  
5 that are owning those storefronts, they are never  
6 going to compete against the downtown we're  
7 developing with big parking areas, the big stores  
8 that can give everything that a person needs in  
9 one spot.

10 I don't know. In my mind, it's a heck  
11 of a problem that Pennsylvania who has a lot of  
12 old towns is facing. I don't think there is an  
13 easy solution. A lot of times I think the local  
14 guys have to take the initiatives on how they  
15 develop that to be competitive. I think they  
16 think that everything ought to come to them and  
17 that's going to make them competitive. But what I  
18 see, it does not work.

19 CHAIRMAN HERSHEY: You're exactly  
20 right. I'm trying to help the borough of oxford  
21 in southeast Chester County next to the Maryland  
22 Line. There are a lot of old storefronts and we  
23 have been talking about it and talking about it.  
24 We finally got something going. You have to get  
25 all the people on the same page.



1           They talk about how it used to be.  
2       That's gone. They talk about how many ice cream  
3       parlors there were. There were two movie  
4       theaters. There were five restaurants, two  
5       hotels. That was before World War II. Then after  
6       world war II, people came home and got automobiles  
7       and people got television and the theaters went  
8       down now, the ice cream parlors. Now there is  
9       some specialty shops coming back.

10           But the real ideal town that really  
11       made a difference was in northeast Maryland. It's  
12       about eight miles below Oxford as you're on the  
13       way to the bay. They have really created a  
14       downtown. They have all kinds of specialty shops.  
15       They have seafood restaurants, regular  
16       restaurants, antique stores, bookstores, travel  
17       agency. It's just amazing.

18           It took a long time to get there.  
19       There used to be just a few little taverns in  
20       there and dusty streets and dusty storefronts and  
21       people gave up. You can't give up. You have to  
22       get on the same page. You're correct. It's up to  
23       the local people and pouring government money  
24       alone isn't going to do it.

25           Thank you for mentioning that and I

1 think Representative Hickernell has a question.

2 REPRESENTATIVE HICKERNELL: Thank you,  
3 Mr. Chairman. I appreciate the testimony of the  
4 supervisors. I'm just curious and I'll direct  
5 this to Mr. Herr and allow anybody else to jump  
6 in. I'm curious as to whether townships that  
7 experience the type of problems with the ag  
8 reserve and the mini-estates. Have you tried to  
9 address that problem through zoning at all? Are  
10 you aware of any situations like that?

11 MR. HERR: Zoning is an issue that  
12 really is not addressed under Clean and Green  
13 because no matter what your zoning is, Clean and  
14 Green can still come into play. It will address  
15 some of the issues brought up earlier because of  
16 subdivision. You may have to go and make sure you  
17 have road frontage and different things. Some of  
18 the municipalities have implemented ag zoning  
19 which requires a minimum of 25 acres in the ag  
20 zone for agricultural purposes. It doesn't fall  
21 into the ag reserve kind of issue that we're  
22 trying to address today.

23 When our members are looking at that  
24 from a perspective of zoning and subdivision, they  
25 are not looking at it and saying, are we going to

1 do this to get around the problem that Clean and  
2 Green has? What they are looking at is saying, we  
3 are zoning the community for the best of the  
4 community and we're going to put certain acreage  
5 in agricultural and certain in residential,  
6 whatever.

7 The problem is the two just don't meld  
8 and they shouldn't meld because we do have  
9 agricultural land in land that is zoned for other  
10 purposes. We don't want to hinder the farmer who  
11 is in that particular zone from getting the  
12 benefits of Clean and Green while they are still  
13 under the farming.

14 So, yes, we like to see them meld a  
15 little bit but on the other hand, we don't want to  
16 because you don't want to hurt the actual farmer  
17 who is benefiting from the program. It's a  
18 juggling act, but the end result is the two acts  
19 are separate.

20 MR. BAYNE: We haven't zoned yet, but  
21 we do have 12 municipalities 10 townships and 2  
22 boroughs in our northwest corner of Susquehanna  
23 County that are working together on land use  
24 planning. This is a big reason for it. We're  
25 trying to figure out how to deal with this. Do we

1 have an answer? No. You could zone all the two  
2 acres lots you want. People aren't going to buy  
3 them. They are going to buy 10 acres because  
4 their taxes are so much lower. Requiring larger  
5 lot sizes, we could do that, but still it isn't an  
6 answer.

7 CHAIRMAN HERSHEY: I have a question.  
8 In Mr. Stone's testimony -- and maybe somebody  
9 might help put some light on this. In the second  
10 paragraph in the middle of the first page, it  
11 states, most buy 10 acre minimum lot size but  
12 don't comply with the requirements of the  
13 Pennsylvania Farmland and Forest Land Assessment  
14 Act of 1974. In the meantime, they enjoy low  
15 taxes afforded by the act while the burden of tax  
16 revenue falls on remaining farmers and full-time  
17 residents who in many cases have similar houses on  
18 smaller lots.

19 If they don't qualify, how do they get  
20 enrolled?

21 MR. STONE: It would appear anybody  
22 that chooses to fill out the thing in our county,  
23 anybody who wants to fill out the thing, they  
24 qualify. No one governs, looks at it to see if it  
25 truly does qualify. They say, I'll sign up for

1 Clean and Green and they got it. I feel somewhat  
2 it's the county's problem.

3 MR. SANDS: I could pretty near follow  
4 in with his footsteps and what he means by saying  
5 that. In our township, if you've got a 200 acre  
6 farm and as long as that was Clean and Green, the  
7 requirements for subdivision are less than two  
8 more than 10 and it can stand. So as soon as they  
9 can sell 10 acres or more, it automatically falls  
10 under the 10 acres and no policing done on it.  
11 Nobody wants to pay the back taxes for it.  
12 There's no really policing on it.

13 That's how they get the advantage of  
14 it, when they actually strictly take it out of  
15 forest reserve, ag reserve, active agricultural.  
16 They just take a big farm that qualified, took it  
17 down to a smaller piece and nobody has seen that  
18 it still requalifies.

19 REPRESENTATIVE PICKETT: I think, Mr.  
20 Stone, you may be feeling that what you thought  
21 the original intent was of Clean and Green may not  
22 be followed through but in fact, if they have 10  
23 acres, as we heard in earlier testimony from the  
24 chief assessors, they qualify. There is no  
25 further qualification. That original farm that

1 was 200 acres, it didn't even have to originally  
2 be in Clean and Green. That person chose not to  
3 put it in Clean and Green, but it broke into 10  
4 acre lots. Those 10 acre lots would still qualify  
5 as new people in Clean and Green.

6 So if you had a farmer who had never  
7 put his farm in and a developer or relator buys  
8 that and breaks it in 10 acre lots, those 10 acre  
9 lots can qualify. Because the original farmer  
10 didn't doesn't mean they can't. That was not the  
11 intent way back when. In fact, that county has no  
12 choice at this point. If you have 10 acres, you  
13 qualify.

14 MR. BAYNE: If I could comment, as  
15 Mary Kay said earlier, if it was required the ag  
16 reserve land be posted so that people know that  
17 that land is open to the public -- because that  
18 land is not open to the public and no one enforces  
19 it. I don't know of anybody that says come on up  
20 on my land and nobody enforces it.

21 REPRESENTATIVE PICKETT: In all  
22 practicality, Mr. Bayne, we used to talk about  
23 that a lot in the county. In fact, we're all very  
24 polite people and we really wouldn't walk on  
25 someone's 10 acre lawn or 15 acre piece of

1 property and set up a picnic. Even if we did,  
2 most likely, they could claim that we were  
3 damaging -- the potential of something on their  
4 property could be damaged and it would still give  
5 them that way out.

6 MR. BAYNE: The only useful part is it  
7 would force a lot of these people to withdraw.

8 REPRESENTATIVE PICKETT: It may  
9 intimidate them.

10 MR. BAYNE: Most of the people don't  
11 realize they are required to open the land.

12 CHAIRMAN HERSHEY: Representative  
13 Grucela has a comment.

14 REPRESENTATIVE GRUCELA: Thank you,  
15 Mr. Chairman. I'll try to be quick because I  
16 realize the only thing standing between you and  
17 lunch may be me. I asked the question earlier  
18 that was kind of misdirected and I want to just  
19 pick up on that with apologies to any developers  
20 that may be in the audience.

21 I'm sure there may be some legal  
22 things involved here, but are there any local  
23 ordinances that could at least make this tougher  
24 on developers? I know you have to be careful  
25 about fees, about increasing different types and

1 kinds of fees, any kind of nuisance they might  
2 cause, weeds, for example.

3 I had one in my Legislative District.  
4 I don't exactly remember. It may not have been  
5 under this program. We had a developer who bought  
6 a farm and didn't do anything with it except let  
7 the weeds grow all over the place. We had a heck  
8 of a time getting it cleaned up.

9 I guess from what I'm hearing there is  
10 nothing on the local level that really can address  
11 this problem and that's why we need a state law?  
12 That's my question.

13 MR. HERR: Correct. The simple answer  
14 to that would be correct. You could pass a weed  
15 ordinance, but then that weed ordinance has to be  
16 uniform. You can't say it's just on agricultural  
17 reserve areas. In a rural area, you do let fields  
18 go so. So you have to be careful how you write  
19 that ordinance.

20 In your subdivision requirement, the  
21 basic thing is you're going to have to have access  
22 to a public road. We've seen some plans that come  
23 in and the farm is broken up into 10, 20 acre  
24 lots, whatever. They do have access to a road.

25 They put in the driveways which you



1 probably have, I have, whatever. These happen to  
2 be long lane driveways. The law also allows for  
3 two properties to each share the same driveway.  
4 So they get around that aspect. You will have  
5 driveway opening permits. The state has the same  
6 thing, highway access permits. If they meet  
7 qualifications -- mostly it's dealing with site  
8 distances the triangles that you need for sight.  
9 They are granted.

10 It would be very difficult. Yes, some  
11 municipalities have done it for other reasons.  
12 They have put hurdles to jump over instead of  
13 calling them hassles. If the law wasn't that  
14 clear, the courts make it clear. Again, under  
15 uniformity concept that we have, we don't want to  
16 make it harder for the farmer also to comply and  
17 still continue his business, make a reasonable  
18 return on his investment, get some breaks as Clean  
19 and Green has in it.

20 When our members are looking at this,  
21 we're saying help the farmer but on the other  
22 hand, don't hurt the rest of our residents by  
23 giving special exemptions for people who are  
24 fortunate enough to be able to take advantage of  
25 that loophole.

1                   We have in the past because of this  
2                   issue that has come up looked at issues under MPC.  
3                   Our legal counsel has said at this particular time  
4                   it would be very difficult. What is proposed in  
5                   the Legislation would rectify it. As I said,  
6                   we've been working with the other groups to try to  
7                   keep it as narrow as possible to protect the  
8                   communities and the farming community as well.

9                   REPRESENTATIVE GRUCELA: Mr. Walter,  
10                  that farm next to you where you said it was  
11                  roughly maybe four 30 acre lots. What happened to  
12                  those lots? Are they developed?

13                  MR. WALTER: Yes, all four of them  
14                  have homes on them. Now, two of them have two in  
15                  the family working there. They are young couples.  
16                  They are young professionals. They both work in  
17                  the banking industry in the township. The other  
18                  one is an attorney. I really don't know what the  
19                  fourth is, but they are young professionals.

20                  REPRESENTATIVE GRUCELA: There is more  
21                  than one home on the three --

22                  MR. WALTER: They wanted a home out of  
23                  town where they could have a big yard and riding  
24                  lawn mower and stuff like that. They put in  
25                  beautiful homes. They are approximately 30 acres

1 a piece.

2 REPRESENTATIVE GRUCELA: I liked your  
3 comment about actual use versus acreage. With  
4 deference to Mr. Bell, maybe we can work that in  
5 some way without screwing this up. I like that.  
6 I think that's a good concept.

7 MR. WALTER: If you could clearly  
8 define what the parameters are that defines all  
9 these agricultural and forest and reserves and  
10 things like that and set that standard that it's  
11 got to be measured against -- now, that's going to  
12 be a tough task.

13 REPRESENTATIVE GRUCELA: Yes. It's a  
14 good concept.

15 MR. WALTER: If that could be done, it  
16 would take the incentive for the developer -- if  
17 you set 25 acres as the limit, they will go 26. A  
18 lot of our farms in our township are even above 25  
19 already.

20 REPRESENTATIVE GRUCELA: For  
21 Susquehanna and Wyoming County, what's the  
22 percentage that's used for the assessment for  
23 market value? It's 50 in Northampton County.

24 MR. SANDS: It is 50 now.

25 REPRESENTATIVE GRUCELA: I want to say

1 in conclusion that I want to thank this panel and  
2 everyone who testified this morning. Over 25  
3 years ago, I was a township supervisor. I can  
4 tell you guys I was a township supervisor. I was  
5 a county councilmen and now a State  
6 Representative.

7 The toughest level -- this is the  
8 honest to God truth. It was the toughest level I  
9 ever served on, other than little league. It was  
10 also the only level where I had my life  
11 threatened. I understand what you guys go  
12 through. You're the closest to the actual public.  
13 I thank you for your testimony and thank you for  
14 answering the questions.

15 MR. BAYNE: Could I make a comment on  
16 a question one of the representatives asked of  
17 Mary Kay earlier?

18 CHAIRMAN HERSHEY: Sure.

19 MR. BAYNE: The lake problem.  
20 Franklin Township in Susquehanna County, our  
21 neighboring county, Dave straightened me out on  
22 this. A lake that's been there 50 or 100 years  
23 with houses around it, lake lots and a strong lake  
24 association, quarter acre lots or half acre or  
25 whatever they are, they didn't qualify. So what

1 did they do? They combined it into one parcel of  
2 land and then leased all those lots to the  
3 individuals for 99 years. So now they are in  
4 Clean and Green. That means everybody -- you  
5 could put the City of Philadelphia in Clean and  
6 Green, I guess, using that theory.

7 CHAIRMAN HERSHEY: Thank you for an  
8 interesting variety of township representatives.  
9 That's what we wanted to hear. Your testimony was  
10 very informative and helpful. We also invited the  
11 boroughs association to testify. They will be  
12 submitting written testimony for the record.

13 Now we're going to break for lunch.  
14 We have provided lunch for members of the  
15 Committee, for staff, for all people that  
16 testified or will testify today. We can't feed  
17 the whole public. You understand that, taxes.  
18 Also I would like to have Richard Oakley identify  
19 himself. He's testifying later in the day. He's  
20 back in the corner. You're invited to stay for  
21 lunch.

22 (Lunch.)

23 CHAIRMAN HERSHEY: We are going to  
24 reconvene the meeting. We have Mr. Oakley from  
25 the Pennsylvania State Grange. We have lost a

1 couple of members and some of the audience but  
2 that happens. We are going to continue and get  
3 some more testimony for the Committee.

4 MR. OAKLEY: Good afternoon. My name  
5 is Rick Oakley and I reside in Hallstead, PA  
6 Susquehanna County. I am a member of the PA State  
7 Grange Government Issues Committee. I am  
8 testifying today on behalf of the grange. Thank  
9 you for the opportunity to express my  
10 organization's views on House Bill 657 and Clean  
11 and Green taxation in general.

12 All of the policy I will be discussing  
13 today was written at the local level and voted on  
14 at one of our annual conventions by our delegate  
15 body. This grass-roots effort ensures that our  
16 policy accurately reflects the thoughts and  
17 desires of our 20,000 members.

18 The following statement is a direct  
19 quote from the grange policy book. As an  
20 organization, the grange supports the current  
21 Clean and Green law as it was amended in 1998. We  
22 recognize that the implementation of the Clean and  
23 Green law has not been uniform. We would be happy  
24 to work with counties to make sure the law's  
25 intent is followed and the definition of reserve

1 land is clarified.

2 Please let me begin by saying that the  
3 grange wholeheartedly supports the Clean and Green  
4 program and would oppose any legislative attempt  
5 to alter it. Clean and Green has kept family  
6 farmers in business, particularly in the areas of  
7 the Commonwealth where development has been rapid.  
8 Without the Clean and Green assessment process,  
9 farmers would not be able to continue to farm.  
10 Land use assessment has been a saving grace for  
11 many farm operations.

12 I understand, however, that some  
13 counties have had problems with implementation of  
14 the Clean and Green program. That is why our  
15 policy mentions uniformity and clarification of  
16 the law's intent. We fully believe that counties  
17 need to uniformly apply Clean and Green  
18 specifications and that state regulations can  
19 assist in ensuring statewide consistency.

20 The grange believes that clarifying  
21 the regulations to the Clean and Green law will  
22 also help counties when approving or disapproving  
23 land for the program. A number of problems have  
24 occurred when land was inaccurately defined  
25 because of vagueness in the regulations describing

1 eligible land. No one intended the Clean and  
2 Green program to include mini-estates or for the  
3 law to be used as a marketing tool for developers.

4 The grange believes that the  
5 Pennsylvania Department of Agriculture can  
6 strengthen the regulations by making them more  
7 comprehensive, thus ensuring the ability of  
8 counties to approve only the land that rightfully  
9 should participate in one of the three categories  
10 of the Clean and Green program without threatening  
11 the program's purpose.

12 Let me reiterate that the grange  
13 believes all of the changes we support will  
14 enhance the Clean and Green law without  
15 legislative initiatives but by logical regulatory  
16 changes. By strengthening the regulations, we  
17 will be reducing ambiguity and more accurately  
18 defining the intent of the law and the three  
19 categories of eligible land.

20 Finally, the grange supported and  
21 continues to strongly support the base acre  
22 concept that was enacted in 1998. This provision  
23 was then and is now crucial to farmers. The  
24 grange agreed with the 1998 amendments to the  
25 Clean and Green law and we continue to support the



1 base acre provisions of the act.

2 Thank you for the opportunity to  
3 testify today. I will be happy to answer any  
4 questions that you may have.

5 CHAIRMAN HERSHEY: Representative  
6 Major?

7 REPRESENTATIVE MAJOR: Thank you, Mr.  
8 Chairman. Mr. Oakley, I realize that you're here  
9 today on behalf of the State Grange to submit  
10 testimony on their behalf and maybe you know this  
11 or don't know. Has the statewide grange actually  
12 discussed how House Bill 657 does not effect  
13 agricultural use, that it only effects forest  
14 reserve and agriculture reserve? Has that been  
15 considered?

16 MR. OAKLEY: To my knowledge, since  
17 you presented the bill, they haven't had a session  
18 together to suggest such a proposal.

19 REPRESENTATIVE MAJOR: There has been  
20 no actual discussions by the statewide grange in  
21 any of their meetings on House Bill 657 to  
22 actually take a position on the specific language  
23 of the Legislation?

24 MR. OAKLEY: That would just be the  
25 Committee that made the decision, not the entire

1 grange.

2 REPRESENTATIVE MAJOR: Thank you and  
3 thank you for being here today to testify.

4 CHAIRMAN HERSHEY: Representative  
5 Pickett, questions?

6 REPRESENTATIVE PICKETT: No.

7 CHAIRMAN HERSHEY: Does the staff have  
8 anything? Thank you, Mr. Oakley. Thanks for  
9 coming. Next we have Jennifer Hoffman, Government  
10 Affairs Specialist, Pennsylvania School Board  
11 Association.

12 MS. HOFFMAN: Good morning, Mr.  
13 Chairman and Committee members. My name is  
14 Jennifer Hoffman. I am the Government Affairs  
15 Specialist for the Department of Governmental and  
16 Member Relations at the Pennsylvania School Boards  
17 Association. Thank you for granting us the  
18 opportunity to appear before the committee to  
19 discuss PSBA's support of House Bill 657.

20 House Bill 657 would amend the  
21 Pennsylvania Farmland and Forest Land Assessment  
22 Act of 1974, commonly known as the Clean and Green  
23 Act. This bill specifically speaks to the  
24 amendments made by Act 156 of 1998.

25 The Legislation before us addresses

1 certain requirements for land to be termed  
2 agricultural use, agricultural reserve or forest  
3 reserve by allowing for the farmstead land to be  
4 included in those definitions thereby permitting  
5 the preferential assessment of that land.

6 The concept of preferential assessment  
7 is intended to benefit Pennsylvania's farmers and  
8 preserve value farms, forestland and open spaces.  
9 It allows qualifying lands to be assessed at the  
10 income they could produce or use value as opposed  
11 to the actual market value of the land.

12 To meet the requirements for  
13 preferential assessment under Act 156, landowners  
14 can now include the farmstead on the property.  
15 This farmstead tract is often referred to as the  
16 base acre as it encompasses the land beneath and  
17 curtilage immediately surrounding the farmstead  
18 buildings.

19 By allowing for the base acre to be  
20 included in the definition for qualifying land, it  
21 eliminated the ability to tax that particular land  
22 by its regular assessed value. An unintended  
23 consequence of the act may have increased the  
24 number of these properties eligible for  
25 preferential assessment, albeit a small number, as

1 well as provided greater tax benefits to those  
2 already in Clean and Green.

3           Decreasing the available taxing base  
4 and increasing the number of those who qualified  
5 has caused a reduction in the amount of property  
6 taxes that can be collected by local taxing  
7 authorities. Nowhere has this problem been more  
8 evident than in the development of mini-estates.

9           Though these homes existed before Act  
10 657, their effect and inequity in the community  
11 has grown. Developers can buy farms, subdivide  
12 the land into plots of 10 or more acres, build  
13 million dollar homes on the land and market them  
14 as having exceptionally low property taxes. Clean  
15 and Green can now be used to increase home sales  
16 which does not benefit the farmer or the local  
17 community.

18           When Clean and Green was created, one  
19 could envision acres of farmland and tractor, but  
20 under the current law, we see a mansion and a  
21 Lexus which are certainly not owned by the farmer  
22 or many of the neighbors.

23           This is the perfect example of  
24 inequity under Clean and Green. People who can  
25 afford to own the land, the large house and other

1 amenities should pay their share of the local  
2 taxes. Instead, owners of these mini-estates pay  
3 a few pennies on the dollar while their average  
4 neighbors are forced to make up the difference  
5 with a substantial increase in their property  
6 taxes. Where is the equity?

7           Though the effects of Act 156 of 1998  
8 are felt by all local taxing authorities, school  
9 districts are the hardest hit. No group is more  
10 disproportionately effected than rural school  
11 districts. These districts are often sparsely  
12 populated with little or no industrial, commercial  
13 or residential tax base from which to draw  
14 property tax revenue.

15           When only certain property tax owners  
16 are given a special tax reduction, it further  
17 aggravates the problem of raising the required  
18 revenues necessary to pay for education and of  
19 fairly distributing the tax burden among the  
20 property owners. The net effect of the changes  
21 made by Act 156 has forced millage rates to  
22 increase. These increases not only affect the  
23 farmers with higher taxes, but they also unfairly  
24 tax all of the local property owners.

25           Many of PSBA's members have provided

1 information related to the adverse financial  
2 impact of Act 156. School districts throughout  
3 the Commonwealth have cited a loss in total  
4 assessed value in the millions of dollars and a  
5 loss in revenue in the hundreds of thousands of  
6 dollars per year as a result of the base acre tax  
7 reduction.

8 As previously mentioned, this loss in  
9 assessment value and subsequent decrease in  
10 revenue is made up by increasing the millage rate  
11 in the district. We are providing numerous  
12 examples of districts that we were negatively  
13 affected by the implementation of Act 156.

14 Though the data does not distinguish  
15 between the effects of forest or agricultural  
16 reserves, the consequences have remained the same.  
17 Local taxpayers are forced to make up the  
18 difference. Let me cite some examples.

19 Millersville Area School District,  
20 Columbia County reported a \$3,475,814 reduction in  
21 assessed value and an \$117,830 loss in revenue,  
22 thus requiring a 1.5 mil tax increase. Bloomsburg  
23 Area School District also in Columbia County  
24 reported a \$53,257 loss of revenue. Southwestern  
25 School District, York County reported a \$146,758

1 loss of revenue. Northeastern School District  
2 also in York County reported a \$221,195 loss of  
3 revenue.

4 Mifflinburg Area School District,  
5 Union County estimated at the time of passage,  
6 1,600 landowners would be eligible for  
7 preferential assessment under Act 156. Their  
8 assessed value would reduce by \$6 million and  
9 result in a \$237,000 loss of revenue. Forbes Road  
10 School District, Fulton County reported a \$625,059  
11 reduction in assessed value and a \$74,278 loss of  
12 revenue, thus requiring a 6 mil tax increase.

13 Central Fulton School District also in  
14 Fulton County reported a \$116,000 loss of revenue,  
15 thus requiring a 4 mil tax increase. Schuylkill  
16 Valley School District, Berks County reported a  
17 \$101,639 loss of revenue. Kutztown School  
18 District also in Berks County reported a  
19 \$15,556,500 reduction in assessed value and a  
20 \$285,991 loss of revenue.

21 Fleetwood Area School District also in  
22 Berks County reported a \$152,116 loss of revenue.  
23 Tulpehocken Area School District also in Berks  
24 County reported a \$213,603 loss of revenue.  
25 Mifflin County School District, Mifflin County

1 reported a \$267,052 loss of revenue. Bentworth  
2 School District, Washington County reported a  
3 \$47,408 loss of revenue.

4 North Lehigh School District, Lehigh  
5 County reported a 42,580 loss of revenue.  
6 Northwestern Lehigh school District also in Lehigh  
7 County reported a \$7,260,000 reduction in assessed  
8 value and a \$230,000 loss of revenue. Delaware  
9 Valley School District, Pike County reported a  
10 reduction of 1,081,200 in assessed value and an  
11 \$87,000 loss of revenue. Troy Area School  
12 District, Bradford County reported a \$177,709 loss  
13 of revenue and a 1.5 mil increase on property  
14 taxes.

15 Northeastern Area School District also  
16 in Bradford County reported a \$7,400,000 reduction  
17 in assessed value and a \$108,000 loss of revenue.  
18 Susquehanna Community School District, Susquehanna  
19 County reported a \$2,439,910 reduction in assessed  
20 value and a \$82,346 loss of revenue, thus  
21 requiring a 1.25 mil tax increase. Galeton Area  
22 School District, Potter County reported a \$124,242  
23 reduction in assessed value, thus requiring a 4.78  
24 mil increase.

25 While it is difficult to make an exact



1 determination of the revenue lost based on the  
2 different types of reserve lands, it is clear that  
3 school districts and property tax owners are worse  
4 off under Act 156. We believe that this was not  
5 the spirit of the law, but it is our current  
6 reality nonetheless.

7 For while the owners of mini-estates  
8 are paying less, the rest of the community must  
9 pay more. Combining the effects of Act 156 with  
10 the state's dwindling role in funding education  
11 has led to the overreliance on our property tax  
12 system and a greater inequity in the local  
13 community itself.

14 Supporting House Bill 657 by  
15 eliminating the base acre provision would return  
16 some of the desperately needed revenue to  
17 financially strapped school districts as well as  
18 provide some property tax relief to homeowners.  
19 Thank you.

20 CHAIRMAN HERSHEY: Thank you for your  
21 testimony. I hope the School Board Association  
22 realizes why we passed the Green and Clean Bill  
23 back in 1974. Farmers in certain areas of the  
24 state could not afford to pay what they were being  
25 levied. So they were selling at a rapid rate.

1 When I was on the Farm Bureau board, I talked to  
2 the president of the school board in Oxford School  
3 District which was primarily farms in the  
4 surrounding townships, but the borough of Oxford  
5 and a couple small villages.

6 Back in the middle '60s, those farms  
7 were paying 67 percent of the school taxes into  
8 that district. Now, apparently, in good times --  
9 and the times were good between '65 and up to  
10 1980. When we had a turned down economy and  
11 interest rates went sky high, this got to be a  
12 burden. In order to address the fairness, this  
13 had to be done. There again, you can't always be  
14 fair.

15 We located a high school  
16 superintendent living in a mobile home and he paid  
17 very little school tax. He was getting a good  
18 salary, but that was to his benefit. I just  
19 wanted to mention some of the inequities that we  
20 saw over the years. We keep working at trying to  
21 make it do what we want to do, but people find  
22 loopholes. Thank you for your testimony.  
23 Representative Major?

24 REPRESENTATIVE MAJOR: Jennifer, thank  
25 you for being here. In your testimony, you have

1 numerous examples. I question you, there are many  
2 more examples to be documented? Is that true?

3 MS. HOFFMAN: Yes, definitely. We had  
4 performed the survey, actually at this point, it  
5 would be a few years ago. When the results came  
6 back in, they didn't always distinguish between  
7 Act 156 and what was there prior and we wanted to  
8 make sure we got the ones that distinctly talked  
9 about that. Yes, it is something that is  
10 occurring all over the state and we're afraid it's  
11 going to get worse.

12 REPRESENTATIVE MAJOR: Thank you.

13 CHAIRMAN HERSHEY: Representative  
14 Pickett?

15 REPRESENTATIVE PICKETT: Mr. Chairman,  
16 thank you. In keeping in mind what you have just  
17 said, Mr. Chairman, certainly our agricultural  
18 community makes their living from the use of their  
19 land. I think we recognize that we need this  
20 Clean and Green program for them in that they  
21 would never be able to match their production  
22 against taxes on the market value of the land.

23 However, we also know that school  
24 property taxes are a real hot point issue no  
25 matter where you go these days and all property

1 taxes perhaps, particularly the school district  
2 taxes because of the rising cost of education and  
3 the quality we want from our education these days.

4 So one of the things we're talking  
5 about here today is the way things have been  
6 interpreted and inequities that's developed  
7 between different property owners and certainly  
8 property owners who are, in fact, not involved in  
9 ag production or any ag management.

10 I, for one, don't really have a  
11 question for you, Jennifer. I just appreciate the  
12 fact that you're here and I appreciate the fact  
13 that the School Board Association has had a chance  
14 to really look this over and come to these  
15 conclusions on these numbers.

16 It is something that we saw coming  
17 many, many years ago, but the school districts, of  
18 course, didn't feel that effect for a couple of  
19 years as it worked itself through the county and  
20 came to the point where it was probably a full two  
21 years before they actually saw these dollars fall  
22 out of their revenue. It was, I'm sure, an  
23 absolutely difficult awakening for them and  
24 likewise for the people they must tax for their  
25 income to run the school.

1 I appreciate the fact that you brought  
2 this forth and underline again the point that  
3 Representative Major made, that there are many,  
4 many schools, probably most schools if they are  
5 not particularly in an urban area have experienced  
6 an extreme falling of revenues from this issue  
7 which will, of course, be passed on to other  
8 taxpayers. Thank you.

9 CHAIRMAN HERSHEY: Any comments?  
10 Thank you. I just wanted to add, I supported  
11 myself personally moving to an income tax to run  
12 our schools rather than property. It would just  
13 take a lot of these little nicknacky things off  
14 the table which I hope we can do that. I've been  
15 working on that for 20 years, but we never get  
16 agreement on any kind of a proposal. Now the  
17 Governor is going to try another proposal and we  
18 hope we see the benefits of that. That's not for  
19 discussion today, but it would close some of the  
20 loopholes.

21 Next we have Joseph Quinn, Secretary  
22 of the Tioga River Vista Property Owners  
23 Association. He has a guest and I'll let him  
24 introduce his guest.

25 MR. QUINN: My guest is Mr. Don Kraly.

1 He's our president of our association.

2 CHAIRMAN HERSHEY: Welcome.

3 MR. QUINN: Mr. Chairman, I would like  
4 to thank you and the Committee for giving me this  
5 time to present our testimony on House Bill 657.  
6 Before I get into my direct testimony, I would  
7 like to ask, how come the beautiful houses on  
8 these 10 acre lots are not heavily taxed as of  
9 their worth? I mean, I've been listening to this  
10 testimony.

11 CHAIRMAN HERSHEY: I have the same  
12 concern.

13 MR. QUINN: It seems to me that if you  
14 took 200 acres and you cut it up into 10 acre  
15 lots, the 200 acres was in the Clean and Green  
16 before so the 10 acre lots are going to still be  
17 in the Clean and Green. But there's more people  
18 now and there's more services needed. I  
19 understand that. These houses they put up should  
20 be more or less heavily assessed to make up for  
21 that I would think. I don't know.

22 Back to my testimony, my testimony is  
23 when we purchased our land, it was made into  
24 allotments of 10 acres or more. At the time that  
25 we purchased the property, 10 acres was deemed

1 rural farm area and we could install a septic tank  
2 system.

3 We have continually maintained our  
4 roads and surrounding areas. Some of our members  
5 have logged out some big trees, but the last time  
6 the entire mountain was logged out was 23 years  
7 ago before we bought our lots. Everyone has  
8 maintained there own lots very well.

9 As an association, we have a meeting  
10 once a year of all of our members where we have an  
11 election of officers and we send out minutes of  
12 our meetings to all of our members. We try to be  
13 good neighbors to the local property owners and we  
14 contribute to the economy of the local community.  
15 However, most of our owners are senior citizens  
16 and desperately need tax relief due to the fact  
17 that they are living on fixed incomes.

18 As the map of our area shows, we have  
19 56 lots and 25 of them only have 10-plus acres.  
20 If this bill passes without our amendment, the 10  
21 acre lots would be removed from the Clean and  
22 Green program. However, our neighbors and the  
23 rest of our association with 11, 12 or 13 acre  
24 lots will be left in the Clean and Green program.

25 I cannot see how this is logical and

1 fair. I am asking for this variance to eliminate  
2 this hardship for our camps, for our tax bills  
3 describe our lots not as cabins but as camps. The  
4 Tioga River Vista Area with no municipal services  
5 or utilities has 37 small wooden cabins.

6 We have outhouses on holding tanks  
7 which have been pumped out. We work out of  
8 coolers for our perishables. We use propane  
9 lights, oil lamps and some have generators. We  
10 use wood stoves for heat and bring water from home  
11 or use nearby springs.

12 We are all charged \$72 per year per  
13 lot to maintain our roads. Our main road is three  
14 miles long with six roads going off to serve our  
15 lots. We have to take all trash home and we pay  
16 to have the roads plowed up to January each year.  
17 We have been reassessed in 1990 and then again in  
18 2000 at 100 percent of value.

19 I have added another page that I  
20 didn't turn in. The Pennsylvania Department of  
21 Conservation and Natural Resources and  
22 Pennsylvania future facts in the August 2003  
23 newsletter states that PA loses 360 acres of open  
24 land daily or about 200 square miles annually.  
25 This is one of the highest loss rates in the



1 United States.

2 New growth of many young oak trees in  
3 the past two years has led many of our owners to  
4 remove some of the large trees on their property  
5 to let in sunlight to help the saplings grow. The  
6 logging out has been done by two local loggers who  
7 have their own saw mills.

8 This year we paid out \$6,000 to have a  
9 new base of stone installed in 75 percent of our  
10 roads. We spend \$3,000 each year to have small  
11 stone added where needed and drainage ditches dug  
12 and repaired by a local contractor. Past history  
13 has taught us that the tax assessors will give  
14 more consideration to the local owners over us.

15 Under this bill, under the farmstead  
16 land part of this bill, they could possibly say  
17 since we're not farming our land, they will rule  
18 out all of our land from the Clean and Green.  
19 Before we got in the Clean and Green program  
20 around 1998, our people with cabins were paying  
21 more taxes than some of the local people in town  
22 with full services.

23 We were told by the previous head  
24 commissioner of the county that you people don't  
25 vote and we don't care about you or your taxes.

1 He expressed this to myself. His name was Dick  
2 Bertolet. I believe he works in Harrisburg today  
3 with the Legislation somehow.

4 So as this amendment states, we just  
5 have to take matters of fairness in our own hands.  
6 If the taxes keep going out of sight, the people  
7 have no choice but to clear cut their land and  
8 sell it off in smaller lots which brings more  
9 water, more sewage, more pollution to the area.

10 Not every one of us is logged out. We  
11 have 56 lots, but we're all in this together.  
12 We're in forestland and I would withdraw this  
13 amendment -- I would be happy to remove this  
14 amendment if wording is put into this bill that  
15 will ensure that 10 acre lots that are actually  
16 logging and working on new growth and actual  
17 forested property be left in the present Clean and  
18 Green law without any one acre base farmstead  
19 restriction such as curtilage.

20 I know from before if the tax  
21 assessors there, if they put that base thing in,  
22 25 lots are going to be out of Clean and Green.  
23 There were a couple other gentleman that talked  
24 before and came up with something that I liked  
25 about possibly wording the bill in some way that

1 people can't just go out and buy a nice house and  
2 put a pond on it and have 10 acres and they are in  
3 Clean and Green. They are not actively doing any  
4 foresting. So I think some wording should be  
5 added into the bill to protect the people who are  
6 actually doing something with their ground.

7 I heard some figures a while ago about  
8 \$79 and \$160. Right now I'm paying in excess of  
9 \$400 taxes between the county and the school. If  
10 I wasn't in the Clean and Green, I would be paying  
11 probably close to \$700 on this little piece of  
12 nothing ground we have up on two mountains with no  
13 services. We're getting taxed pretty good.

14 CHAIRMAN HERSHEY: Sir, what county is  
15 this?

16 MR. QUINN: Tioga. We have been there  
17 for 19 years.

18 CHAIRMAN HERSHEY: Is it like a summer  
19 home or a hunting cabin?

20 MR. QUINN: Little camps. Yes, some  
21 people do hunt. Not everybody hunts. They go up  
22 there and they bring the kids up and kids like the  
23 woods and stuff. We want to keep the forest area  
24 and we are working on it.

25 CHAIRMAN HERSHEY: Does any family now

1 live there permanent?

2 MR. QUINN: No, they don't.

3 CHAIRMAN HERSHEY: I want to ask you,  
4 the makeup of the land and the association, I  
5 understand there's a total of 900 acres?

6 MR. KRALY: It's 900 and some.

7 CHAIRMAN HERSHEY: Each owner owns 10  
8 or 15?

9 MR. QUINN: Each owner owns at least  
10 10 because when they first did that, it was put in  
11 at 10 acres lots like I explained. At that time,  
12 19 years ago, you could put your own septic system  
13 on it now. Most of our people just have a holding  
14 tank with an outhouse, but they have changed it.

15 Now you have sand mounds. The  
16 environmental laws have all changed. Even if it  
17 hurts, they want you to put a sand mound in it,  
18 but we could not do a sand mound because we need  
19 electric because that has to be pumped.

20 But anyway, I would like to see some  
21 help for us so we don't start getting heavily  
22 taxed again. We're paying our fair share of  
23 taxes, I believe.

24 CHAIRMAN HERSHEY: Apparently, some of  
25 the lots are larger because it's 900 acres and you

1 have 67 tenants.

2 MR. QUINN: Yes. Some of them are 22.  
3 One is 35. One is 48. The ones on the end of the  
4 mountain that rolls and goes down, they tend to  
5 have the bigger acreage.

6 CHAIRMAN HERSHEY: I should ask your  
7 friend there if he has some testimony?

8 MR. KRALY: Yes. One of the things we  
9 have done out there is try and keep the property  
10 the way it was intended. It's forested and  
11 semi-primitive. We don't have any type of  
12 utilities. Like Joe said, some people have  
13 generators they use periodically.

14 For example, at our cabin, we have gas  
15 lights and whenever you leave, you take all your  
16 trash with you. I had my place selectively  
17 timbered a few years ago and then I attempted to  
18 put in some seedlings, but with the last two  
19 droughts we had, that wasn't too successful.

20 One of the things that happened prior  
21 to this reassessment, one of our owners hadn't  
22 built a cabin for years and he decided he was  
23 going to build a cabin. He built a cabin. It's  
24 approximately 28 by 30.

25 what he did, he used pressure-treated

1 logs that were split in half so it looked like log  
2 siding. When he received his assessment notice,  
3 they had assessed him at \$69,000 as far as his  
4 cabin was concerned. On the window, before he  
5 built the cabin, the natural resources put up a  
6 sign that said no pressurized water system allowed  
7 in this building. The reason for it was because  
8 he was adjacent to some wetlands.

9 So Joe got together with all of our  
10 property owners and we submitted information on  
11 all of our lots to the assessors in an attempt to  
12 have those assessments lowered. We were  
13 successful in getting some of them lowered  
14 considerably, but one of the things that we did  
15 do, we presented them with a listing of what  
16 properties sold for in our area.

17 What they were attempting to do, they  
18 were encompassing a whole large area and including  
19 us in with properties that had phones, electric,  
20 water and, of course, we had none of that. So Joe  
21 convinced them that, hey, we are a separate entity  
22 here and this is how we are situated on this  
23 mountain. We were successful then in having them  
24 lower the assessments.

25 It would really be detrimental if our

1 people were taken out of the Clean and Green  
2 because there's probably others in our same  
3 situation. I know over in Potter County, I have  
4 several friends that have places over there.

5 There again, most of them have no type  
6 of utilities. They are back in the woods. They  
7 have 10 or more acres, some 15 and they were able  
8 to get in the Clean and Green under the act in  
9 1998. So it not only would benefit us, but it  
10 would also benefit other individuals in other  
11 counties that have the same type of situation.

12 CHAIRMAN HERSHEY: How many owners in  
13 your association have their primary residence in  
14 Pennsylvania? Most of them?

15 MR. QUINN: All but two. They live in  
16 New Jersey.

17 CHAIRMAN HERSHEY: It's been 18 years  
18 since you formed this association?

19 MR. QUINN: Yes, it is incorporated.

20 MR. KRALY: We are incorporated as a  
21 non-profit organization.

22 CHAIRMAN HERSHEY: I believe  
23 Representative Major has a question.

24 REPRESENTATIVE MAJOR: Thank you, Mr.  
25 Chairman. You indicated this is in Tioga County?

1 MR. QUINN: Yes.

2 REPRESENTATIVE MAJOR: What township  
3 is it in?

4 MR. QUINN: Covington.

5 REPRESENTATIVE MAJOR: I notice on  
6 your map that you indicate dark black lines are  
7 roads going through?

8 MR. QUINN: Yes.

9 REPRESENTATIVE MAJOR: Are those  
10 township roads?

11 MR. QUINN: No.

12 REPRESENTATIVE MAJOR: There are no  
13 township roads through the development at all?

14 MR. QUINN: Those are our roads.

15 REPRESENTATIVE MAJOR: Those are roads  
16 that you folks, the association built and  
17 maintain?

18 MR. QUINN: They were logging roads  
19 originally. When the developer sold it off to us,  
20 they put some shale and stuff on it, but we have  
21 maintained them every year. We spend close to  
22 \$3,000 each year on them. We spent about six this  
23 year because we needed a better base. We've had a  
24 couple floods and rains and it washes away. Now  
25 we put a heavier base in and now that should help



1 us for a long time. Each year we have to add to  
2 it here and there.

3 REPRESENTATIVE MAJOR: So there is  
4 really not any township services, no township  
5 roads.

6 MR. QUINN: We have no services  
7 whatsoever.

8 REPRESENTATIVE MAJOR: My next  
9 questions is, do you understand that the  
10 Legislation that I'm introducing only deals with  
11 the base acre, the property the homes sits on?

12 MR. QUINN: But 25 of our lots only  
13 have a little more than 10 acres. If they took  
14 one base acre away, we would be left with nine and  
15 now we're out of the Clean and Green.

16 REPRESENTATIVE MAJOR: No.

17 MR. QUINN: That's the way it was  
18 before.

19 CHAIRMAN HERSHEY: There was a  
20 disagreement among our assessors a year ago.

21 REPRESENTATIVE MAJOR: Yes, and I  
22 would refer to Kerry Golden who is the Executive  
23 Director of staff to explain that to you.

24 MS. GOLDEN: My understanding is that  
25 there were some assessors -- and I don't know the

1 counties -- who were requiring at least 11 acres  
2 that they could charge the base acre on one and  
3 have 10 remaining for Clean and Green you're  
4 concerned that if you only have 10 acres and we go  
5 back to charging a base acre, that you will have 9  
6 left and then not qualify for Clean and Green.

7 MR. QUINN: Yes, and then we will be  
8 assessed at 100 percent value of all of our 10  
9 acres.

10 MS. GOLDEN: That is not specifically  
11 what this bill does. I understand that concern  
12 and we will discuss that.

13 MR. QUINN: This bill, the way I read  
14 it through, I think some of these assessors could  
15 interpret it that way and put it back the way it  
16 was before '98.

17 REPRESENTATIVE MAJOR: Again, the  
18 language of the proposed Legislation would have to  
19 actually address that and at this point in time it  
20 does not. Just so you're clear on that, it does  
21 not address that at this point in time. It's not  
22 specifically spelled out. So your concerns, while  
23 we note them, it is not a specific issue with  
24 regard to this Legislation. I want to kind of  
25 relieve you a little bit here.

1 MR. QUINN: I haven't had time to  
2 think of the proper wording, but I think a couple  
3 of the other gentlemen who testified had a good  
4 idea, that something may be put in this bill that  
5 really clarifies what should be in the Clean and  
6 Green and what should not be in the Clean and  
7 Green.

8 REPRESENTATIVE MAJOR: You're asking  
9 us to further clarify the definition of  
10 agricultural use and agricultural reserve and  
11 forest reserve?

12 MR. QUINN: Right, and maybe a  
13 guideline that they would have.

14 REPRESENTATIVE MAJOR: Yes, we have  
15 all noted that and find that very interesting.

16 MR. QUINN: If you would like an  
17 application for the Clean and Green, I have it in  
18 my briefcase. Somebody asked and wanted to know  
19 if there was any wording in that. Really there  
20 isn't, but I can give that to you.

21 CHAIRMAN HERSHEY: Thank you.  
22 Representative Pickett?

23 REPRESENTATIVE PICKETT: I have just a  
24 comment, Mr. Chairman. Mr. Quinn, in your initial  
25 comments, you had a concern that perhaps the

1 houses were not being properly assessed.

2 MR. QUINN: Right. Yes.

3 REPRESENTATIVE PICKETT: The house is.  
4 This discussion today is only about the land value  
5 and the taxation of the land. Any structures are  
6 currently assessed and taxed at their market  
7 value. So that's not what we are considering here  
8 today. We are discussing the land value.

9 When a property is assessed, there is  
10 value given to the land and a value given to the  
11 structures. We are not talking about what goes on  
12 with the structures. They are currently assessed  
13 and taxed at their market value, whatever that is  
14 deemed to be. We are discussing the land.

15 MR. QUINN: It's that much difference  
16 just in the land?

17 REPRESENTATIVE PICKETT: If you own a  
18 piece of property, a \$30,000 piece of land, and  
19 you have a \$50,000 house on it, your house will be  
20 valued and taxed at \$50,000 worth of value. If  
21 you put a \$500,000 house on it, it will be taxed  
22 at \$500,000. Included in the property description  
23 for your property which brings it to its total tax  
24 value is that \$30,000 value on your land.

25 We are discussing whether that \$30,000

1 value of land should, in fact, all be Clean and  
2 Green if it's at a certain acreage or whether a  
3 piece of it should be considered developed because  
4 it has septic, it has well, it has all of the  
5 other amenities that any other piece of property  
6 has with a house.

7 That's what this is about. It has  
8 nothing to do with the structure of the house.  
9 The structure of the house is throughout the state  
10 already valued and taxed as it should be. If  
11 you're in Clean and Green you do not get a break  
12 on the structure. You get a break on the land.  
13 So this discussion today is about the land.

14 MR. QUINN: What I thought is if I had  
15 200 acres of land in Clean and Green and I sold it  
16 off to developer and he split it up, wouldn't that  
17 still generate the same amount of taxes as 200  
18 acres?

19 REPRESENTATIVE PICKETT: Yes, it  
20 would, but our point today is before that it was a  
21 farm and now it's not. It's a residential lot.  
22 Therefore, if it gets a piece of it in Clean and  
23 Green so be it, but should it not have to pay  
24 something of a different value because it, in  
25 fact, has a developed area where the house is.

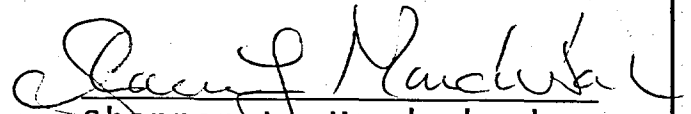
1 MR. QUINN: I understand that.

2 CHAIRMAN HERSHEY: Any other questions  
3 from the Committee? Thank you very much. That  
4 concludes our testimony today. I want to point  
5 out that all Committee members will get copies of  
6 the testimony presented today. We will leave the  
7 hearing record open for an additional week or so.  
8 If anyone else or association wants to submit  
9 testimony for the record or written comments, we  
10 are always happy to do that.

11 Thank you for your participation. I'm  
12 glad for the great turnout and the great interest.  
13 I'm happy that we had a decent amount of Committee  
14 members here today. With that, the meeting stands  
15 adjourned.

16 (The proceedings were concluded at  
17 1:44 p.m.)  
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1 I hereby certify that the proceedings  
2 and evidence are contained fully and accurately in  
3 the notes taken by me on the within proceedings  
4 and that this is a correct transcript of the same.  
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Shannon L. Manderbach  
Notary Public

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NOTARIAL SEAL Shannon L. Manderbach, Notary Public Enola, Cumberland County My Commission Expires June 6, 2005
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