



Pick one tax reform proposal

And then push, push, push local and state officials until it becomes a reality.

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Nov 23, 2007 — This is the third in a series of eight editorials focusing on the Metro-York proposal put forth by YorkCounts:

Recommendation 3:

Reform local taxation through a local tax study commission: The current system of property taxes, with inherent "winners and losers," does not serve our taxpayers or governments and is not in the best long-term economic interest of the Metro-York region. It's also not the only way of doing things. In greater Minneapolis/St. Paul, to cite one example, a portion of the real estate tax revenue from new commercial developments is shared across the region. Revenues could be distributed to municipalities based on their percentage of nonprofit real estate and/or to school districts based on the amount of residential real estate in their tax bases. The Metro-York Municipal Workgroup liked this model, but other models could be considered. A local tax study commission should be established, to include elected officials from each municipality and school district in the

Metro-York region, to study and adopt an approach that is equitable and stable - and serves the region's long-term interests. We must also ask our state delegation for legislation to permit adoption of a new tax model.

Our thoughts:

It's not exactly an epiphany that there are problems with our municipal and school tax systems.

State lawmakers have been talking - and talking and talking and talking - about the inherent problems of over reliance on local property taxes for, well, at least 20 years. So far, they haven't managed to solve the problem because they haven't had the political guts to blow up the system and start over.

Instead, we've gotten hapless half-measures such as Act 72 and Act 1.

That said, Metro-York is absolutely right that something needs to be done about the situation. The above recommendation is a good diagnosis of the problem.

But what, specifically, are we going to do about it? We would have preferred the group championed a specific solution. Instead, they're proposing more talk - a kind of mini-local-legislature to hash out tax reform, then take it to the real Legislature for enabling legislation.

That's nice and democratic - but also slow

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and prone to the same pitfalls the General Assembly constantly trips over: lobbying by influential and well-funded special-interest groups that derail, for selfish reasons, reforms that would be an overall benefit to the community.

In its recommendation document, Metro-York puts a couple of specific ideas on the table for discussion - regional revenue sharing, a regional asset district - but fails to embrace any specific plan.

Regional revenue sharing is an excellent idea. It's been around for a long time. It was one of David Rusk's suggestions more than a decade ago.

The idea is basically to put local tax revenue into a county-wide or region-wide pot to be distributed to municipalities or school districts, thus helping to equalize tax bases. School districts with strong industrial/commercial tax bases (which contribute revenue without the high demand for services that residential properties create) can share the prosperity region-wide with municipalities or districts that have primarily residential tax bases.

It's basically a "let's pool resources for a greater common good" approach. It's worked well in Minneapolis/St. Paul. It could work well here, too.

But it's not an easy political sell - especially to folks who live in districts that have a lot of industrial/commercial property and

growth.

Granted, there are other ideas out there. But might it not have been more effective if Metro-York leaders had put their considerable influence to bear in selling one, specific, easily understandable concept to local folks and elected officials - as they did with the regional police department proposal?

Meanwhile, here's something specific that Metro-York leaders can do to help areas struggling with high percentages of tax-exempt property: Start lobbying the state Legislature for passage of a bill introduced by state Rep. Bob Freeman, D-Northampton, that would give extra state subsidies to municipalities that have high percentages of tax-exempt properties. The proposal would divvy up money from the Johnstown Flood Tax for such municipalities.

York city acutely suffers from a high percentage of tax-exempt government, church and social service properties.

So does Gettysburg. Rep. Dan Moul, R-Conewago Township, Adams County, isn't part of the Metro-York region, but cheers to him for being the lead co-sponsor of the bill.

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