

August 2003

Cumberland County

COUNTY AND MUNICIPAL REAL ESTATE TAX LEVIES FOR 2003 RISE BY 3.8 PERCENT SINCE LAST YEAR AND BY 27.9 PERCENT IN THE PAST FIVE YEARS

The gross real estate tax levy for 2003 for Cumberland County and its boroughs and townships totals \$41,355,122, which is \$1,531,780 or 3.8 percent higher than in 2002. (The gross real estate tax levy is the potential tax yield based on the millage and the certified taxable valuation; it is not necessarily the amount of real estate tax revenue budgeted by a jurisdiction or the amount which it expects to receive.)

Cumberland County's gross real estate tax levy increased by \$575,441 or 2.1 percent between 2002 and 2003 to \$28,281,758. Real estate tax levies also increased in 24 of the county's 33 municipalities; they decreased in seven; and in two (Hopewell and Lower Mifflin townships) there were no real estate taxes in 2002 and 2003. The largest increases in tax levies among the county's municipalities occurred in the boroughs of Carlisle (\$227,395 or 9.3 percent), New Cumberland (\$353,197 or 67.0 percent), and Shippensburg (\$141,601 or 34.7 percent) and in Middlesex Township (\$202,699 or 73.5 percent). Absolute decreases in real estate tax levy since last year ranged from \$4 in Newburg Borough to \$62,810 in South Middleton Township; on a proportionate basis the decreases ranged from 0.3 percent in both Mechanicsburg and Newburg boroughs to 100 percent in South Middleton and Upper Mifflin townships which eliminated their real estate taxes in 2003. (See Exhibit I.)

For the five-year period beginning in 1998, the combined real estate tax levy for the county and its 33 municipalities rose by \$9,011,595 or 27.9 percent. Cumberland County's real estate tax levy increased by \$7,183,304 or 34.0 percent during this period. Levies also rose in 26 municipalities; they decreased in seven. The largest dollar increases in tax levy among the county's municipalities between 1998 and 2003 were in the boroughs of Carlisle (\$463,467) and New Cumberland (\$348,960); the largest proportionate increase occurred in Middlesex Township (114.1 percent). During the five-year period real estate tax levies decreased in Camp Hill Borough (\$61,802 or 5.1 percent) and the townships of Hopewell (\$21,932 or 100.0 percent), Lower Frankford (\$491 or 3.6 percent), Lower Mifflin (\$3,833 or 100.0 percent), South Middleton (\$112,320 or 100.0 percent), Southampton (\$3,065 or 11.2 percent), and Upper Mifflin (\$9,651 or 100.0 percent). (Hopewell, Lower Mifflin, South Middleton, and Upper Mifflin townships eliminated their real estate taxes subsequent to 1998.)

Real estate tax levies for 2003 in Cumberland County's boroughs total \$7,002,590 and range from \$1,423 in Newburg to \$2,670,440 in Carlisle; the levies in the townships total \$5,102,968 and range from \$7,605 in South Newton to \$1,598,114 in Lower Allen. The tax levies in the boroughs

rose by \$701,413 or 11.1 percent over 2002 and are up by \$1,153,804 or 19.7 percent since 1998. Levies in the townships during these two periods of time increased by \$231,351 or 4.7 percent and \$638,066 or 14.3 percent, respectively.

Real estate tax millages for general purposes (and for special purposes if levied throughout the jurisdiction) increased in four of the county's municipalities in 2003, decreased in two, and remained unchanged in 27. The increases in real estate millages since last year were recorded in the boroughs of Carlisle (0.290 mill or 10.9 percent), New Cumberland (1.00 mill or 66.7 percent), and Shippensburg (0.820 mill or 35.8 percent) and in Middlesex Township (0.400 mill or 67.8 percent). The decreases occurred in the townships of South Middleton (0.071 mill) and Upper Mifflin (0.156 mill)—both eliminated their real estate taxes in 2003. (See Exhibit I.)

Cumberland County's real estate tax millage for 2003 remained unchanged at 2.149 mills.

General purpose real estate tax millages are lower in 2003 than in 1998 in 32 county municipalities; the millage is higher in one (Shippensburg Township—which did not levy a real estate tax millage in 1998 but has a 1.0-mill levy in 2003). The high number of millage decreases is in keeping with state law which limits real estate tax levies in the year in which a countywide reassessment is implemented. The lower millages, when coupled with the higher assessed valuations resulting from the 2001 reassessment and the change in the county's predetermined assessment ratio from 25 percent to 100 percent, do not necessarily result in lower real estate tax levies for the municipalities. The millage rate decreases during the five-year period ranged from 0.47 mill in Dickinson Township to 37.05 mills in Carlisle Borough. Proportionately, the largest decreases in millage between 1998 and 2003 (100.0 percent) were in the townships of Hopewell, Lower Mifflin, South Middleton, and Upper Mifflin, all of which eliminated their real estate taxes during the five year review period.

Cumberland County's current millage is lower than in 1998 by 25.351 mills or 92.2 percent.

Millage rates in Cumberland County's boroughs now range from 0.125 in Newburg to 3.110 in Shippensburg; millages in the townships range from 0.030 in Dickinson to 1.500 in Lower Allen. Hopewell, Lower Mifflin, South Middleton, and Upper Mifflin townships did not levy real estate taxes in 2003.

In addition to the general purpose and municipal-wide special purpose real estate taxes mentioned above, some municipalities levy special purpose real estate taxes only in selected areas of the jurisdiction for such services as street lighting and fire hydrants. These are not included in this study, nor are service fees which may be charged for garbage collection, sewage collection and treatment, and so forth. For example, 17 Cumberland County municipalities report residential garbage collection fees in 2003 of \$2.70 on a per bag basis and ranging from \$116 to \$197 per household on an annual basis. Also, various nonproperty taxes, particularly those levied under Act 511, are widely used by Cumberland County's municipalities (and school districts, as well). Included are earned income, per capita, occupational privilege, real estate transfer, amusement, mercantile, and business privilege taxes. **During the period under review, some jurisdictions may have**

imposed for the first time or may have changed nonproperty tax rates, service fees, or special purpose real estate taxes.

The certified assessed valuation of taxable property in Cumberland County for 2003 totals \$13.16 billion, an increase of \$267.8 million or 2.1 percent over 2002. Assessed valuations increased in 26 of the county's 33 municipalities since last year and decreased in seven. The absolute increases ranged from \$92,270 in Cooke Township to \$66,403,660 in Hampden Township. Proportionately, the increases ranged from 0.2 percent in New Cumberland Borough to 6.1 percent in Upper Allen Township. The absolute decreases ranged from \$32,330 in Newburg Borough to \$13,204,110 in Carlisle Borough; proportionately, the decreases ranged from 0.3 percent in Newburg Borough to 2.1 percent in Camp Hill Borough. (See Exhibit II.)

For the five-year period beginning in 1998, Cumberland County's assessed valuation rose by \$12.39 billion or 1,615.3 percent. Assessed valuations increased in each of the county's municipalities during this period largely as a result of the implementation of the 2001 countywide reassessment and the change in the county's predetermined assessment ratio. The largest dollar increases between 1998 and 2003 occurred in the township of East Pennsboro (\$1.0 billion) and Hampden (\$1.9 billion); the largest proportionate increase was recorded in Dickinson Township (2,151.2 percent). (See Exhibit II.)

The 2003 assessed valuations of Cumberland County's 11 boroughs range from \$11.4 million in Newburg to \$905.2 million in Carlisle, while the range in the 22 townships is from \$26.6 million in Cooke to \$2.1 billion in Hampden.

The county's predetermined assessment ratio for 1998 was 25 percent of market value; for 2002 and 2003 the predetermined ratio is 100 percent of market value. The Common Level Ratio of assessed values to selling prices as determined by the State Tax Equalization Board (STEB) was 6.6 percent in 1998 and 95.4 percent in 2002—the most recent figure available. The county most recently reassessed in 2001.

In addition to new construction, demolitions, and the natural appreciation and depreciation of properties which can influence the change in the assessed valuation of a county and its municipalities from year to year, assessed valuations in Cumberland County during the period 1998 to 2003 (and, in conjunction with the real estate tax millage, perhaps the gross tax levies as well) have been influenced by several significant events above and beyond the countywide reassessment. These include the deregulation of public utilities in the Commonwealth (and the resulting shift in their properties from tax-exempt to taxable status); changes in Pennsylvania's "Clean and Green" legislation (which expands the eligibility for preferential assessment to include farm property previously excluded from consideration for tax exemption); and the implementation of Pennsylvania's Keystone Opportunity Zone (KOZ) program (which is designed to encourage businesses and individuals to remain in or to move into these designated areas by providing tax incentives including exemption from real estate taxation).

The deregulation of utilities is believed to have increased the assessed valuation countywide and in some municipalities, but, as a byproduct of deregulation, all jurisdictions will experience a loss

in revenue from the state as part of the Public Utility Realty Tax (PURTA) program. Conversely, the change in the “Clean and Green” legislation and the KOZ program have reduced the assessed valuation for selected properties in some municipalities and the county as a whole. While the specific impacts of these factors differ from jurisdiction to jurisdiction, combined, it is believed that they have had a noticeable effect on the total value of taxable property and tax levies in Cumberland County during the five-year period under review.

The foregoing narrative and exhibits which follow are designed primarily to identify changes since last year and during the most recent five-year period in the real estate tax levies, tax rates, and assessed valuations of the county government and each municipality in the county. No valid comparison of tax burden among the municipalities can be made without a detailed analysis of the quantity and quality of services provided and the role of nonproperty taxes, special fees, and charges, and any municipal-operated utilities, such as sewer and water.

The Pennsylvania Economy League was incorporated in 1936 as a statewide, nonprofit, nonpartisan, citizen-supported research organization. It provides critical information, perspective, and policy analysis to the business, civic, and governmental leadership of our communities and our state to support their efforts to make Pennsylvania a better place to live, work, and do business. PEL serves as a catalyst for moving ideas into action by working in partnership with governmental, business, and civic groups to develop consensus and action on public policies, programs, and solutions that will increase the effectiveness and efficiency of state government, improve the economic climate and competitiveness, and raise the quality of life in the state. At the local level PEL engages in a variety of research projects and related activities designed to bring about the sound financing and most cost-effective delivery of necessary public services. PEL’s program of professional and unbiased research is made possible by the voluntary tax-deductible memberships of more than 1,000 individuals, businesses, institutions, and associations in Cumberland County and throughout Pennsylvania.

EXHIBIT I

Cumberland County
County and Municipal Real Estate Tax Rates and Gross Levies^{1/}
 2003

	2003		Change 2002 to 2003				Change 1998 to 2003			
	Tax	Gross Tax	Tax Rate		Gross Tax Levy		Tax Rate		Gross Tax Levy	
	Millage	Levy ^{2/}	Mills	%	\$	%	Mills	%	\$	%
COUNTY:										
Cumberland	2.1490	\$28,281,758	—	—	575,441	2.1	-25.351	-92.2	7,183,304	34.0
BOROUGHS:										
Camp Hill	2.1240	1,145,813	—	—	-24,446	-2.1	-35.376	-94.3	-61,802	-5.1
Carlisle	2.9500	2,670,440	0.290	10.9	227,395	9.3	-37.050	-92.6	463,467	21.0
Lemoyne	1.3300	473,200	—	—	2,724	0.6	-20.670	-94.0	59,379	14.3
Mechanicsburg	1.4500	679,272	—	—	-2,179	-0.3	-13.550	-90.3	240,563	54.8
Mt. Holly Springs	2.0300	148,535	—	—	998	0.7	-27.970	-93.2	2,790	1.9
New Cumberland	2.5000	880,710	1.000	66.7	353,197	67.0	-22.500	-90.0	348,960	65.6
Newburg	0.1250	1,423	—	—	-4	-0.3	-1.880	-93.8	6	0.4
Newville	1.6657	75,347	—	—	-272	-0.4	-27.334	-94.3	1,282	1.7
Shippensburg ^{3/}	3.1100	550,102	0.820	35.8	141,601	34.7	-32.390	-91.2	35,804	7.0
Shiremanstown	1.7500	126,677	—	—	-764	-0.6	-22.250	-92.7	22,181	21.2
Wormleysburg	1.6390	251,071	—	—	3,163	1.3	-19.361	-92.2	41,174	19.6
TOWNSHIPS:										
Cooke	1.0000	26,562	—	—	92	0.3	-13.000	-92.9	6,222	30.6
Dickinson	0.0300	10,593	—	—	183	1.8	-0.470	-94.0	2,751	35.1
East Pennsboro ❖	0.8880	994,368	—	—	23,667	2.4	-13.112	-93.7	42,643	4.5
Hampden ❖	0.2000	410,817	—	—	13,280	3.3	-2.800	-93.3	49,939	13.8
Hopewell	—	—	—	—	—	—	-3.500	-100.0	-21,932	-100.0
Lower Allen ❖	1.5000	1,598,114	—	—	14,932	0.9	-20.500	-93.2	124,895	8.5
Lower Frankford	0.1800	13,219	—	—	254	2.0	-2.820	-94.0	-491	-3.6
Lower Mifflin	—	—	—	—	—	—	-1.000	-100.0	-3,833	-100.0
Middlesex	0.9900	478,592	0.400	67.8	202,699	73.5	-7.010	-87.6	255,097	114.1
Monroe	0.2000	70,335	—	—	1,287	1.9	-2.800	-93.3	7,593	12.1
North Middleton	0.9810	400,265	—	—	6,188	1.6	-12.519	-92.7	33,487	9.1
North Newton	0.1400	14,270	—	—	273	2.0	-1.860	-93.0	1,136	8.6
Penn	0.0650	8,377	—	—	115	1.4	-0.935	-93.5	762	10.0
Shippensburg	1.0000	90,333	—	—	3,919	4.5	1.000	NA	90,333	NA
Silver Spring	0.6560	633,039	—	—	20,412	3.3	-9.344	-93.4	106,438	20.2
South Middleton	—	—	-0.071	-100.0	-62,810	-100.0	-2.250	-100.0	-112,320	-100.0
South Newton	0.1290	7,605	—	—	22	0.3	-1.871	-93.6	676	9.8
Southampton	0.1000	24,305	—	—	559	2.4	-1.900	-95.0	-3,065	-11.2
Upper Allen ❖	0.2440	246,126	—	—	14,042	6.1	-3.256	-93.0	59,124	31.6
Upper Frankford	0.2113	15,291	—	—	224	1.5	-2.789	-93.0	2,618	20.7
Upper Mifflin	—	—	-0.156	-100.0	-8,631	-100.0	-3.000	-100.0	-9,651	-100.0
West Pennsboro	0.2250	60,757	—	—	644	1.1	-3.275	-93.6	5,644	10.2

NA = Not Applicable

❖ First Class Township.

^{1/} Tax rates and levies for 1998 are based on certified municipal assessments at a predetermined 25 percent assessment ratio; 2003 and 2003 tax rates and levies are based on a predetermined ratio of 100 percent of market value. The Common Level Ratio of assessed values to selling prices as determined by the State Tax Equalization Board (STEB) was 6.6 percent in 1998 and 95.4 percent in 2002 (the most recent figure available).

^{2/} The gross real estate tax levy is the potential tax yield based on the millage and taxable valuation; it is not necessarily the amount of real estate tax revenue budgeted by a jurisdiction or the amount which it expects to receive.

^{3/} The millage rate listed applies only to the Cumberland County portion of the Borough; however, the gross real estate tax levy reflects both the Cumberland and Franklin county portions of the municipality.

EXHIBIT II

Cumberland County
County and Municipal Assessed Valuations^{1/}
 2003

COUNTY:	2003	Change 2002 to 2003		Change 1998 to 2003	
	Assessed Valuation	\$	%	\$	%
Cumberland	\$ 13,160,427,400	267,771,720	2.1	12,393,210,890	1,615.3
BOROUGHES:					
Camp Hill	539,460,100	-11,509,500	-2.1	507,257,030	1,575.2
Carlisle	905,233,830	-13,204,110	-1.4	850,059,510	1,540.7
Lemoyne	355,789,300	2,047,890	0.6	336,979,270	1,791.5
Mechanicsburg	468,463,200	-1,502,970	-0.3	439,215,940	1,501.7
Mt. Holly Springs	73,169,750	491,330	0.7	68,311,600	1,406.1
New Cumberland	352,283,970	608,630	0.2	331,013,970	1,556.2
Newburg	11,381,960	-32,330	-0.3	10,673,500	1,506.6
Newville	45,234,530	-163,350	-0.4	42,680,580	1,671.2
Shippensburg ^{2/}	176,881,520	-1,503,340	-0.8	162,394,260	1,120.9
Shippensburg ^{3/}	164,775,880	-1,703,920	-1.0	155,171,770	1,615.7
Shiremanstown	72,386,620	-437,040	-0.6	68,032,600	1,562.5
Wormleysburg	153,185,190	1,929,600	1.3	143,190,080	1,432.6
TOWNSHIPS:					
Cooke	26,561,850	92,270	0.3	25,108,980	1,728.2
Dickinson	353,102,010	6,106,890	1.8	337,417,220	2,151.2
East Pennsboro ❖	1,119,784,100	26,652,640	2.4	1,051,803,770	1,547.2
Hampden ❖	2,054,086,550	66,403,660	3.3	1,933,793,790	1,607.6
Hopewell	102,078,080	658,470	0.6	95,811,820	1,529.0
Lower Allen ❖	1,065,409,210	9,954,480	0.9	998,444,720	1,491.0
Lower Frankford	73,439,440	1,414,440	2.0	68,869,410	1,507.0
Lower Mifflin	59,354,190	638,950	1.1	55,520,870	1,448.4
Middlesex	483,425,770	15,811,340	3.4	455,488,850	1,630.4
Monroe	351,672,930	6,431,580	1.9	330,758,880	1,581.5
North Middleton	408,017,600	6,308,180	1.6	380,848,840	1,401.8
North Newton	101,930,660	1,954,740	2.0	95,363,740	1,452.2
Penn	128,878,010	1,773,870	1.4	121,263,170	1,592.5
Shippensburg	90,332,580	3,919,020	4.5	85,487,680	1,764.5
Silver Spring	964,998,430	31,115,360	3.3	912,338,350	1,732.5
South Middleton	927,232,480	44,568,130	5.0	877,312,570	1,757.4
South Newton	58,954,580	172,780	0.3	55,490,010	1,601.6
Southampton	243,046,640	5,591,250	2.4	229,361,420	1,676.0
Upper Allen ❖	1,008,712,410	57,550,190	6.1	955,283,210	1,787.9
Upper Frankford	72,373,320	1,058,450	1.5	68,148,980	1,613.2
Upper Mifflin	55,639,850	208,540	0.4	52,422,810	1,629.5
West Pennsboro	270,032,380	2,862,260	1.1	254,285,950	1,614.9

❖ First Class Township

^{1/} Valuations for 1998 are based on certified municipal assessments at a predetermined 25 percent assessment; 2003 and 2003 valuations are based on a predetermined 100 percent assessment ratio. The Common Level Ratio of assessed values to selling prices as determined by the State Tax Equalization Board (STEB) was 6.6 percent in 1998 and 95.4 percent in 2002 (the most recent figure available).

^{2/} Includes both the Cumberland and Franklin County portions; this figure is used to determine the borough's real estate tax levy.

^{3/} Includes only the Cumberland County portion of Shippensburg Borough; this figure is used to determine the county's real estate tax levy.