



Research Summary

Pennsylvania Economy League

CENTRAL DIVISION

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Cumberland County

COUNTY AND MUNICIPAL REAL ESTATE TAX LEVIES FOR 2002 RISE BY 12.8 PERCENT SINCE LAST YEAR AND BY 36.4 PERCENT IN THE PAST FIVE YEARS

The gross real estate tax levy for 2002 for Cumberland County and its boroughs and townships totals \$39,978,227, which is \$4,526,438 or 12.8 percent higher than in 2001. (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 \$3,951,639 or 16.6 percent between 2001 and 2002 to \$27,706,317. Real estate tax levies also increased in 21 of the county's 33 municipalities; they decreased in ten; and in two (Hopewell and Lower Mifflin townships) there were no real estate taxes in 2001 and 2002. The largest dollar and proportionate increase in tax levy among the county's municipalities occurred in Mechanicsburg Borough (\$233,056 or 52.0 percent). Absolute decreases in real estate tax levy since last year ranged from \$12 in Newburg Borough to \$8,949 in Lower Allen Township; on a proportionate basis the decreases ranged from 0.5 percent in New Cumberland Borough to 6.7 percent in Lower Frankford Township. (See Exhibit I.)

For the five-year period beginning in 1997, the combined real estate tax levy for the county and its 33 municipalities rose by \$10,663,185 or 36.4 percent. Cumberland County's real estate tax levy increased by \$9,195,100 or 49.7 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 1997 and 2002 were in Carlisle Borough (\$345,644) and Lower Allen Township (\$330,761); the largest proportionate increases occurred in Mechanicsburg Borough (57.1 percent) and the townships of Cooke (32.3 percent) and Dickinson (35.3 percent). During the five-year period levies decreased in New Cumberland Borough (\$2,188 or 0.4 percent) and in the townships of Hopewell (\$21,545 or 100.0 percent), Lower Frankford (\$449 or 3.3 percent), Lower Mifflin (\$3,767 or 100.0 percent), South Middleton (\$46,517 or 42.5 percent), Southampton (\$2,868 or 10.8 percent), and Upper Mifflin (\$843 or 8.9 percent).

Real estate tax levies for 2002 in Cumberland County's boroughs total \$6,456,062 and range from \$1,427 in Newburg to \$2,443,045 in Carlisle; the levies in the townships total \$4,871,617 and range from \$7,583 in South Newton to \$1,583,182 in Lower Allen. The tax levies in the boroughs rose by \$479,585 or 8.0 percent over 2001 and are up by \$799,344 or 14.1 percent over 1997.

Levies in the townships during these two periods of time increased by \$75,095 or 1.6 percent and \$675,357 or 16.1 percent, respectively. (For comparative purposes, the tax levy in the former West Fairview Borough, which merged into East Pennsboro Township on January 1, 1998, has been included with the township's figures for 1997.)

Real estate tax millages for general purposes (and for special purposes if levied throughout the jurisdiction) increased in five of the county's municipalities in 2002 and remained unchanged in 28. The increases in real estate millages since last year were recorded in the boroughs of Lemoyne (0.197 mill or 17.4 percent), Mechanicsburg (0.500 mill or 52.6 percent), Mt Holly Springs (0.330 mill or 19.4 percent), Shippensburg (0.290 mill or 14.5 percent), and Shiremanstown (0.250 mill or 16.7 percent). (See Exhibit I.)

Cumberland County's real estate tax millage for 2002 rose by 0.267 mill or 14.2 percent to 2.149 mills.

General purpose real estate tax millages are lower in 2002 than in 1997 in 32 county municipalities; the millage is higher in one (Shippensburg Township—which did not levy a real estate tax millage in 1997 but has a 1.0-mill levy in 2002). (The high number of millage decreases is in keeping with state law which limits increases in 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 35.34 mills in Carlisle Borough. Proportionately, the largest decreases in millage between 1997 and 2002 (100.0 percent) were in Hopewell and Lower Mifflin townships each of which eliminated their real estate taxes in 2001.

Cumberland County's current millage is lower than in 1997 by 22.351 mills or 91.2 percent.

Millage rates in Cumberland County's boroughs now range from 0.125 in Newburg to 2.660 in Carlisle; millages in the townships range from 0.030 in Dickinson to 1.500 in Lower Allen. Hopewell and Lower Mifflin townships did not levy real estate taxes in 2002.

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, ten Cumberland County municipalities report annual residential garbage collection fees in 2002 from \$2.00 and \$2.70 on a per bag basis and ranging on an annual basis from \$100 to \$148. 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 2002 totals \$12.89 billion, an increase of \$270.6 million or 2.1 percent over 2001. Assessed valuations increased in 19 of the county's 33 municipalities since last year and decreased in 14. The increases ranged from \$61,960 or less than 0.1 percent in Middlesex Township to \$53,944,040 or 18.4 percent in Dickinson Township. The absolute decreases ranged from \$100,160 in Newburg Borough to \$8,254,160 in Hopewell Township; proportionately, the decreases ranged from 0.4 percent in Mechanicsburg Borough to 7.5 percent in Hopewell Township. (See Exhibit II.)

For the five-year period beginning in 1997, Cumberland County's assessed valuation rose by \$12.14 billion or 1,606.4 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 1997 and 2002 occurred in the township of East Pennsboro (\$1.0 billion) and Hampden (\$1.8 billion); the largest proportionate increases were recorded in Lemoyne Borough (1,851.5 percent) and Dickinson Township (2,155.5 percent). (See Exhibit II.)

The 2002 assessed valuations of Cumberland County's 11 boroughs range from \$11.4 million in Newburg to \$918.4 million in Carlisle, while the range in the 22 townships is from \$26.5 million in Cooke to \$1.9 billion in Hampden.

The county's predetermined assessment ratio for 1997 was 25 percent of market value. The 2001 and 2002 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 6.8 percent in 1997 and 6.3 percent in 2000 (the most recent figure available). Due to the implementation of the countywide reassessment in 2001 and the change in the predetermined assessment ratio, the most recent Common Level Ratio does not accurately reflect the current ratio in the county.

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 1997 to 2002 (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/}
 2002

	2002		Change 2001 to 2002				Change 1997 to 2002			
	Tax	Gross Tax	Tax Rate		Gross Tax Levy		Tax Rate		Gross Tax Levy	
	Millage	Levy ^{2/}	Mills	%	\$	%	Mills	%	\$	%
COUNTY:										
Cumberland	2.1490	\$27,706,317	0.267	14.2	3,951,639	16.6	-22.351	-91.2	9,195,100	49.7
BOROUGHS:										
Camp Hill	2.1240	1,170,259	—	—	1,020	0.1	-34.376	-94.2	671	0.1
Carlisle	2.6600	2,443,045	—	—	81,188	3.4	-35.340	-93.0	345,644	16.5
Lemoyne	1.3300	470,476	0.197	17.4	73,346	18.5	-20.670	-94.0	71,695	18.0
Mechanicsburg	1.4500	681,451	0.500	52.6	233,056	52.0	-13.550	-90.3	247,703	57.1
Mt. Holly Springs	2.0300	147,537	0.330	19.4	24,140	19.6	-26.970	-93.0	7,489	5.3
New Cumberland	1.5000	527,513	—	—	-2,453	-0.5	-23.500	-94.0	-2,188	-0.4
Newburg	0.1250	1,427	—	—	-12	-0.8	-1.875	-93.8	6	0.4
Newville	1.6657	75,619	—	—	-2,457	-3.1	-27.334	-94.3	1,992	2.7
Shippensburg ^{3/}	2.2900	563,386	0.290	14.5	57,543	11.4	-33.210	-93.5	66,035	13.3
Shiremanstown	1.7500	127,441	0.250	16.7	17,623	16.0	-22.250	-92.7	22,060	20.9
Wormleysburg	1.6390	247,908	—	—	-3,409	-1.4	-19.361	-92.2	38,237	18.2
TOWNSHIPS:										
Cooke	1.0000	26,470	—	—	692	2.7	-13.000	-92.9	6,456	32.3
Dickinson	0.0300	10,410	—	—	1,618	18.4	-0.470	-94.0	2,718	35.3
East Pennsboro ❖ ^{4/}	0.8880	970,701	—	—	20,811	2.2	-13.112	-93.7	35,039	3.7
Hampden ❖	0.2000	397,537	—	—	9,267	2.4	-2.800	-93.3	44,104	12.5
Hopewell	—	—	—	—	—	—	-3.500	-100.0	-21,545	-100.0
Lower Allen ❖	1.5000	1,583,182	—	—	-8,949	-0.6	-17.500	-92.1	330,761	26.4
Lower Frankford	0.1800	12,965	—	—	-936	-6.7	-2.820	-94.0	-449	-3.3
Lower Mifflin	—	—	—	—	—	—	-1.000	-100.0	-3,767	-100.0
Middlesex	0.5900	275,893	—	—	37	<0.1	-7.410	-92.6	55,784	25.3
Monroe	0.2000	69,048	—	—	384	0.6	-2.800	-93.3	6,529	10.4
North Middleton	0.9810	394,077	—	—	9,577	2.5	-12.519	-92.7	33,472	9.3
North Newton	0.1400	13,997	—	—	-129	-0.9	-1.860	-93.0	981	7.5
Penn	0.0650	8,262	—	—	-197	-2.3	-0.935	-93.5	713	9.4
Shippensburg	1.0000	86,414	—	—	1,623	1.9	1.000	NA	86,414	NA
Silver Spring	0.6560	612,627	—	—	28,713	4.9	-9.344	-93.4	91,417	17.5
South Middleton	0.0712	62,810	—	—	3,179	5.3	-2.179	-96.8	-46,517	-42.5
South Newton	0.1290	7,583	—	—	56	0.7	-1.871	-93.6	831	12.3
Southampton	0.1000	23,746	—	—	323	1.4	-1.900	-95.0	-2,868	-10.8
Upper Allen ❖	0.2440	232,084	—	—	8,707	3.9	-3.256	-93.0	47,523	25.7
Upper Frankford	0.2113	15,067	—	—	-246	-1.6	-2.789	-93.0	2,702	21.9
Upper Mifflin	0.1557	8,631	—	—	-244	-2.7	-2.844	-94.8	-843	-8.9
West Pennsboro	0.2250	60,113	—	—	809	1.4	-3.275	-93.6	5,902	10.9

NA Not Applicable

❖ First Class Township.

1/ Tax rates and levies for 1997 are based on certified municipal assessments at a predetermined 25 percent assessment ratio; 2001 and 2002 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 6.8 percent in 1997 and 6.3 percent in 2000 (the most recent figure available). Due to the implementation of the countywide reassessment in 2001 and the change in the assessment ratio from 25 percent to 100 percent, the most recent Common Level Ratio does not accurately reflect the current ratio in the county.

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.

4/ On January 1, 1998, West Fairview Borough merged into East Pennsboro Township. For purposes of comparison, the tax levy of the former borough has been included with East Pennsboro's figures for all years.

EXHIBIT II

Cumberland County
County and Municipal Assessed Valuations^{1/}
 2002

	2002 Assessed Valuation	Change 2001 to 2002		Change 1997 to 2002	
		\$	%	\$	%
COUNTY:					
Cumberland	\$12,892,655,680	270,616,460	2.1	12,137,095,790	1,606.4
BOROUGHES:					
Camp Hill	550,969,600	480,530	0.1	518,926,080	1,619.4
Carlisle	918,437,940	30,521,860	3.4	863,243,180	1,564.0
Lemoyne	353,741,410	3,229,620	0.9	335,615,000	1,851.5
Mechanicsburg	469,966,170	-2,028,710	-0.4	441,049,640	1,525.3
Mt. Holly Springs	72,678,420	92,210	0.1	67,849,170	1,405.0
New Cumberland	351,675,340	-1,635,140	-0.5	330,487,320	1,559.8
Newburg	11,414,290	-100,160	-0.9	10,703,910	1,506.8
Newville	45,397,880	-1,474,910	-3.1	42,859,020	1,688.1
Shippensburg ^{2/}	178,384,860	2,322,530	1.3	164,374,980	1,173.3
Shippensburg ^{3/}	166,479,800	2,115,970	1.3	157,412,980	1,736.1
Shiremanstown	72,823,660	-388,370	-0.5	68,432,780	1,558.5
Wormleysburg	151,255,590	-2,079,870	-1.4	141,271,270	1,414.9
TOWNSHIPS:					
Cooke	26,469,580	691,860	2.7	25,040,020	1,751.6
Dickinson	346,995,120	53,944,040	18.4	331,610,680	2,155.5
East Pennsboro ❖ ^{4/}	1,093,131,460	23,435,830	2.2	1,026,298,430	1,535.6
Hampden ❖	1,987,682,890	46,335,270	2.4	1,869,872,030	1,587.2
Hopewell	101,419,610	-8,254,160	-7.5	95,263,850	1,547.6
Lower Allen ❖	1,055,454,730	-5,965,620	-0.6	989,537,820	1,501.2
Lower Frankford	72,025,000	-5,204,900	-6.7	67,553,740	1,510.8
Lower Mifflin	58,715,240	-1,272,830	-2.1	54,947,960	1,458.6
Middlesex	467,614,430	61,960	<0.1	440,100,840	1,599.6
Monroe	345,241,350	1,919,500	0.6	324,401,680	1,556.7
North Middleton	401,709,420	9,763,040	2.5	374,997,910	1,403.9
North Newton	99,975,920	-925,480	-0.9	93,468,030	1,436.2
Penn	127,104,140	-3,035,650	-2.3	119,554,930	1,583.7
Shippensburg	86,413,560	1,622,550	1.9	81,628,350	1,705.8
Silver Spring	933,883,070	43,770,850	4.9	881,762,080	1,691.8
South Middleton	882,664,350	44,792,320	5.3	834,074,710	1,716.6
South Newton	58,781,800	429,940	0.7	55,405,970	1,641.3
Southampton	237,455,390	3,222,300	1.4	224,148,160	1,684.4
Upper Allen ❖	951,162,220	35,682,440	3.9	898,430,620	1,703.8
Upper Frankford	71,314,870	-1,158,120	-1.6	67,193,270	1,630.3
Upper Mifflin	55,431,310	-1,570,530	-2.8	52,273,180	1,655.2
West Pennsboro	267,170,120	3,598,820	1.4	251,681,180	1,624.9

❖ First Class Township

^{1/} Valuations for 1997 are based on certified municipal assessments at a predetermined 25 percent assessment; 2001 and 2002 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 6.8 percent in 1997 and 6.3 percent in 2000 (the most recent figure available). Due to the implementation of the countywide reassessment in 2001 and the change in the assessment ratio from 25 percent to 100 percent, the most recent Common Level Ratio does not accurately reflect the current ratio in the county.

^{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.

^{4/} On January 1, 1998, West Fairview Borough merged into East Pennsboro Township. For purposes of comparison, the assessed valuation of the former borough has been included with East Pennsboro's figures for all years.