



# Research Summary

## Pennsylvania Economy League

CENTRAL DIVISION

April 2000

### Cumberland County

#### **COUNTY AND MUNICIPAL REAL ESTATE TAX LEVIES FOR 2000 RISE BY 2.2 PERCENT SINCE LAST YEAR AND BY 20.4 PERCENT IN THE PAST FIVE YEARS**

**The real estate tax levy** for 2000 (the potential tax yield based on the millage and taxable valuation) for Cumberland County and its boroughs and townships totals \$33,718,585 which is \$736,387 or 2.2 percent higher than in 1999. (The 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.)

Cumberland County's real estate tax levy increased by \$584,284 or 2.7 percent between 1999 and 2000 to \$22,110,006. Real estate tax levies also increased in 28 of the county's 33 municipalities, four recorded decreases, and one (Shippensburg Township) levied no real estate tax in 1999 or 2000. The largest dollar increases in tax levy among the county's municipalities occurred in Carlisle Borough (\$40,621) and Middlesex Township (\$37,475), which also recorded the largest proportionate increase (16.6 percent). The decreases were recorded in the boroughs of Mechanicsburg (\$172 or less than 0.1 percent), Newville (\$5 or less than 0.1 percent), and Wormleysburg (\$846 or 0.4 percent) and in South Middleton Township (\$60,496 or 36.1 percent). (See Exhibit I.)

For the five-year period beginning in 1995, the combined real estate tax levy for the county and its 33 municipalities rose by \$5,707,827 or 20.4 percent. Cumberland County's real estate tax levy increased by \$4,191,673 or 23.4 percent during this period. Levies also rose in 30 municipalities, they decreased in two, and one (Shippensburg Township) had no real estate tax in 1995 or 2000. The largest dollar increases in tax levy among the county's municipalities for the five-year period were in Carlisle Borough (\$335,769) and Lower Allen Township (\$292,981). The largest proportionate increases occurred in the townships of North Middleton (61.2 percent) and Silver Spring (56.4 percent). Levies decreased in Mechanicsburg Borough (\$3,251 or 0.7 percent) and South Middleton Township (\$6,547 or 5.8 percent).

Real estate tax levies for 2000 in Cumberland County's boroughs total \$5,991,441 and range from \$1,423 in Newburg to \$2,267,299 in Carlisle; the levies in the townships total \$4,662,272 and range from \$3,944 in Lower Mifflin to \$1,508,424 in Lower Allen. The tax levies in the boroughs rose by \$59,772 or 1.0 percent over 1999 and by \$647,905 or 12.1 percent over 1995. Levies in the

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two periods of time increased by \$77,976 or 1.7 percent and \$835,969 or 21.8 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 1995.)

**Real estate tax millages** for general purposes (and for special purposes if levied throughout the jurisdiction) increased in one municipality between 1999 and 2000 (Middlesex Township—1.0 mill or 12.5 percent), decreased in one (South Middleton Township—1.25 mills or 38.5 percent), and were unchanged in the remaining 31. (See Exhibit I.)

Cumberland County's 2000 millage remained unchanged at 27.5 mills. This figure includes 1.5 mills authorized by referendum to support libraries in the county.

For the five-year period beginning in 1995, general purpose real estate tax millages increased in eight municipalities, decreased in two, and were unchanged in 23. The largest millage increases during this period were recorded in the boroughs of Camp Hill (5.0 mills) and Carlisle (4.0 mills) and in North Middleton Township (4.5 mills). The largest proportionate increases occurred in the townships of North Middleton (50.0 percent) and Silver Spring (42.9 percent). The decreases in millage during the five-year period were in the townships of South Middleton (0.5 mill or 20.0 percent) and in Upper Allen (0.5 mill or 12.5 percent).

Cumberland County's millage rose by 3.0 mills or 12.2 percent between 1995 and 2000.

Millage rates in Cumberland County's boroughs now range from 2.0 in Newburg to 40.0 in Carlisle; millages in the townships range from 0.5 in Dickinson to 22.0 in Lower Allen. Shippensburg Township did not levy a real estate tax in 2000.

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, 12 Cumberland County municipalities report annual residential garbage collection fees in 2000 ranging from \$62 to \$144. 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 assessed valuation of taxable property** in Cumberland County for 2000 totals \$804,000,220, an increase of \$21,246,710 or 2.7 percent over 1999. Assessed valuations rose in 30 of the county's 33 municipalities since last year ranging from \$10 in Newburg Borough to \$5,380,100 in Hampden Township. Other significant dollar increases occurred in the townships of Silver Spring (\$2,124,320), South Middleton (\$1,966,670), and Upper Allen (\$2,998,330). The largest proportionate

increases was recorded in the townships of Shippensburg (5.7 percent), Southampton (5.0 percent), and Upper Allen (5.3 percent). Decreases in assessed valuations occurred in the boroughs of Mechanicsburg (\$11,450 or less than 0.1 percent), Newville (\$170 or less than 0.1 percent), and Wormleysburg (\$35,240 or 0.4 percent).

For the five-year period beginning in 1995, Cumberland County's assessed valuation rose by \$72,639,700 or 9.9 percent. Assessed valuations increased in 31 of the county's municipalities. The largest dollar increases occurred in the townships of Hampden (\$16,079,850), South Middleton (\$8,083,220), and Upper Allen (\$8,659,170). The largest proportionate increases during the five-year period were recorded in the townships of Dickinson (24.4 percent), South Middleton (17.8 percent), Southampton (17.4 percent) and Upper Allen (17.1 percent). Decreases in assessed valuation occurred in the boroughs of Mechanicsburg (\$216,710 or 0.7 percent) and Wormleysburg (\$336,210 or 3.3 percent). (See Exhibit II.)

The 2000 assessed valuations of Cumberland County's 11 boroughs range from \$711,440 in Newburg to \$56,682,480 in Carlisle, while the range in the 22 townships is from \$1,496,260 in Cooke to \$128,981,610 in Hampden.

The county's predetermined assessment ratio for 1995, 1999, and 2000 is 25 percent of market value. The Common Level Ratio of assessed values to selling prices as determined by the State Tax Equalization Board (STEB) was 7.0 percent in 1995 and 6.6 percent in 1998 (the most recent figure available). The county most recently reassessed in 1975; however, the county has initiated a reassessment program to be implemented in the 2001 tax year.

In addition to new construction activities, 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 the year 2000 (and perhaps tax levies as well) have been influenced by several significant events: 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 new 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 in Cumberland County for the year 2000.

**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 is a 64-year old nonprofit, nonpartisan organization which serves as an active agent of change for the increased effectiveness of state government and also for the adoption of state policies and programs which will improve the state's economy and encourage economic development in order to improve the quality of life for the citizens of Pennsylvania. At the local level PEL works to improve government by bringing about the sound financing and the most cost-effective delivery of necessary public services. To these ends, PEL encourages and assists officials of Pennsylvania's state and local governments in formulating and implementing sound policies and practices through its program of professional and unbiased research in government finance and management. PEL's efforts are 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 Levies <sup>1/</sup>  
 2000

COUNTY:	2000		Change 1999 to 2000				Change 1995 to 2000			
	Tax	Tax	Tax Rate		Tax Levy		Tax Rate		Tax Levy	
	Millage	Levy <sup>2/</sup>	Mills	%	\$	%	Mills	%	\$	%
Cumberland	27.50	\$22,110,006	—	—	584,284	2.7	3.00	12.2	4,191,673	23.4
<b>BOROUGHES:</b>										
Camp Hill	37.50	1,210,957	—	—	1,871	0.2	5.00	15.4	162,906	15.5
Carlisle	40.00	2,267,299	—	—	40,621	1.8	4.00	11.1	335,769	17.4
Lemoyne	22.00	444,189	—	—	5,407	1.2	—	—	56,874	14.7
Mechanicsburg	15.00	435,924	—	—	-172	<-0.1	—	—	-3,251	-0.7
Mt. Holly Springs	30.00	148,741	—	—	3,014	2.1	1.00	3.4	14,697	11.0
New Cumberland	25.00	532,682	—	—	420	0.1	—	—	5,531	1.0
Newburg	2.00	1,423	—	—	<1	<0.1	—	—	46	3.3
Newville	29.00	74,362	—	—	-5	<-0.1	—	—	1,466	2.0
Shippensburg	35.50	532,574	—	—	9,051	1.7	—	—	49,349	10.2
Shiremanstown	24.00	105,049	—	—	411	0.4	—	—	1,798	1.7
Wormleysburg	24.00	238,241	—	—	-846	-0.4	3.00	14.3	22,720	10.5
<b>TOWNSHIPS:</b>										
Cooke	14.00	20,948	—	—	386	1.9	—	—	1,412	7.2
Dickinson	0.50	8,789	—	—	341	4.0	—	—	1,721	24.3
East Pennsboro <sup>2/</sup> ❖	14.00	975,813	—	—	14,740	1.5	—	—	68,375	7.5
Hampden ❖	3.00	386,945	—	—	16,140	4.4	—	—	48,240	14.2
Hopewell	3.50	22,503	—	—	259	1.2	—	—	2,153	10.6
Lower Allen ❖	22.00	1,508,424	—	—	25,958	1.8	3.00	15.8	292,981	24.1
Lower Frankford	3.00	14,000	—	—	186	1.3	—	—	1,177	9.2
Lower Mifflin	1.00	3,944	—	—	73	1.9	—	—	238	6.4
Middlesex	9.00	263,447	1.00	12.5	37,475	16.6	1.00	12.5	56,217	27.1
Monroe	3.00	64,203	—	—	646	1.0	—	—	2,701	4.4
North Middleton	13.50	381,032	—	—	6,423	1.7	4.50	50.0	144,611	61.2
North Newton	2.00	13,685	—	—	98	0.7	—	—	1,108	8.8
Penn	1.00	8,023	—	—	263	3.4	—	—	872	12.2
Shippensburg	—	—	—	—	—	—	—	—	—	—
Silver Spring	10.00	557,630	—	—	21,243	4.0	3.00	42.9	201,144	56.4
South Middleton	2.00	107,020	-1.25	-38.5	-60,496	-36.1	-0.50	-20.0	-6,547	-5.8
South Newton	2.00	7,216	—	—	177	2.5	—	—	596	9.0
Southampton	2.00	29,550	—	—	1,419	5.0	—	—	4,370	17.4
Upper Allen ❖	3.50	207,447	—	—	10,494	5.3	-0.50	-12.5	5,002	2.5
Upper Frankford	3.00	13,414	—	—	433	3.3	—	—	1,668	14.2
Upper Mifflin	3.00	10,043	—	—	131	1.3	—	—	1,097	12.3
West Pennsboro	3.50	58,196	—	—	1,587	2.8	—	—	6,833	13.3

❖ First Class Township.

<sup>1/</sup> Tax rates and levies for 1995, 1999, and 2000 are based on certified municipal assessments at a predetermined 25 percent assessment ratio. The Common Level Ratio of assessed values to selling prices as determined by the State Tax Equalization Board (STEB) was 7.0 percent in 1995 and 6.6 percent in 1998 (the most recent figure available).

<sup>2/</sup> 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.

<sup>3/</sup> The 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.

EXHIBIT II

**Cumberland County**  
**Assessed Valuations** <sup>1/</sup>

2000

	Assessed Valuation	Change 1999 to 2000		Change 1995 to 2000	
		\$	%	\$	%
<b>COUNTY:</b>					
Cumberland	\$804,000,220	21,246,710	2.7	72,639,700	9.9
<b>BOROUGHES:</b>					
Camp Hill	32,292,190	49,890	0.2	44,480	0.1
Carlisle	56,682,480	1,015,530	1.8	3,028,880	5.6
Lemoyne	20,190,430	245,810	1.2	2,585,220	14.7
Mechanicsburg	29,061,630	-11,450	<-0.1	-216,710	-0.7
Mt. Holly Springs	4,958,040	100,470	2.1	335,830	7.3
New Cumberland	21,307,290	16,800	0.1	221,260	1.0
Newburg	711,440	10	<0.1	22,930	3.3
Newville	2,564,210	-170	<-0.1	50,570	2.0
Shippensburg <sup>2/</sup>	15,002,090	254,960	1.7	1,390,130	10.2
Shippensburg <sup>3/</sup>	10,256,330	481,130	4.9	1,272,030	14.2
Shiremanstown	4,377,030	17,120	0.4	74,920	1.7
Wormleysburg	9,926,700	-35,240	-0.4	-336,210	-3.3
<b>TOWNSHIPS:</b>					
Cooke	1,496,260	27,550	1.9	100,810	7.2
Dickinson	17,578,900	682,870	4.0	3,442,690	24.4
East Pennsboro ❖ <sup>4/</sup>	69,700,940	1,052,840	1.5	4,883,910	7.5
Hampden ❖	128,981,610	5,380,100	4.4	16,079,850	14.2
Hopewell	6,429,570	74,100	1.2	615,220	10.6
Lower Allen ❖	68,564,710	1,179,890	1.8	4,594,020	7.2
Lower Frankford	4,666,650	61,870	1.3	392,330	9.2
Lower Mifflin	3,943,970	73,440	1.9	237,710	6.4
Middlesex	29,271,860	1,025,360	3.6	3,368,120	13.0
Monroe	21,400,940	215,170	1.0	900,380	4.4
North Middleton	28,224,610	475,770	1.7	1,955,570	7.4
North Newton	6,842,340	48,710	0.7	553,930	8.8
Penn	8,023,090	263,410	3.4	871,680	12.2
Shippensburg	5,173,820	277,040	5.7	623,590	13.7
Silver Spring	55,762,970	2,124,320	4.0	4,836,450	9.5
South Middleton	53,509,910	1,966,670	3.8	8,083,220	17.8
South Newton	3,608,040	88,580	2.5	298,250	9.0
Southampton	14,775,160	709,460	5.0	2,185,350	17.4
Upper Allen ❖	59,270,530	2,998,330	5.3	8,659,170	17.1
Upper Frankford	4,471,470	144,380	3.3	556,290	14.2
Upper Mifflin	3,347,810	43,790	1.3	365,770	12.3
West Pennsboro	16,627,290	453,160	2.8	1,952,190	13.3

❖ First Class Township

<sup>1/</sup> Valuations for 1995, 1999, and 2000 are based on certified municipal assessments at a predetermined 25 percent assessment ratio. The Common Level Ratio of assessed values to selling prices as determined by the State Tax Equalization Board (STEB) was 7.0 percent in 1995 and 6.6 percent in 1998 (the most recent figure available).

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

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

<sup>4/</sup> 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.