



Research Summary

Pennsylvania Economy league

CENTRAL DIVISION

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Dauphin County

COUNTY AND MUNICIPAL REAL ESTATE TAX LEVIES FOR 2000 RISE BY 10.7 PERCENT SINCE LAST YEAR AND BY 36.0 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 Dauphin County, Harrisburg City, and the county's boroughs and townships totals \$90,270,680, which is \$8,706,568 or 10.7 percent higher than in 1999.

Dauphin County's total real estate tax levy increased by \$8,248,982 or 15.1 percent between 1999 and 2000 to \$62,823,382 (The county's general purpose tax levy rose by \$8,225,815 or 15.8 percent since last year to \$60,380,849; the special library tax represents an additional levy of \$2,442,533, up by \$23,167 or 1.0 percent over 1999.)

Real estate tax levies also increased in 29 of the county's 40 municipalities since last year; they decreased in nine; and in two (Conewago and Middle Paxton townships) there were no real estate taxes in 1999 or 2000. The largest dollar increase in tax levy among the county's municipalities occurred in Harrisburg City-\$216,058. Other significant dollar increases were recorded in the townships of Londonderry (\$102,954) and Susquehanna (\$84,760). The largest proportionate increases occurred in Gratz Borough (55.0 percent) and Londonderry Township (46.0 percent). The decreases ranged from \$37 or 0.1 percent in Halifax Borough to \$68,854 or 3.5 percent in Derry Township. (See Exhibit I.)

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 (and, in conjunction with the real estate tax millage, the tax levy as well), assessed valuations and tax levies in Dauphin County in the year 2000 have been influenced by several significant events. 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 has increased the assessed valuation and potential tax levy countywide and in some municipalities, but, as a byproduct of deregulation, all jurisdictions will

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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 and possibly the tax levy 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, they have had a substantial effect on the total value of taxable property and tax levies in Dauphin County for the year 2000.

For example, more than \$400,000 of the county’s overall real estate tax levy for 2000 is linked to the assessment on a deregulated nuclear electric generating facility; this is about 5.0 percent of the increase in the county’s tax levy since last year. In Londonderry Township virtually all (almost \$98,000) of this year’s increase in tax levy is related to the assessment on this facility. It should be noted, however, that the taxable value of this facility is the subject of an assessment appeal, and, as such, there is some question as to whether this revenue will be realized in 2000.

For the five-year period beginning in 1995, the combined real estate tax levy for the county and its 40 municipalities rose by \$23,919,333 or 36.0 percent. Dauphin County’s real estate tax levy increased by \$21,016,088 or 50.3 percent. Levies also rose in 36 of the municipalities during this period, they fell in two—the townships of Lower Paxton (\$41,559 or 1.9 percent) and Reed (\$757 or 3.7 percent), and in the two remaining municipalities (Conewago and Middle Paxton townships) there were no real estate taxes in 1995 or 2000. The largest dollar increases in tax levy among the county’s municipalities for the five-year period were in Harrisburg City (\$549,256), and the townships of Derry (\$457,534) and Susquehanna (\$357,200). The largest proportionate increases occurred in the townships of Halifax (223.8 percent) and Upper Paxton (266.6 percent).

Real estate tax levies for 2000 in Dauphin County’s boroughs total \$3,490,638 and range from \$4,595 in Berrysburg to \$664,179 in Steelton; the levies in the townships total \$10,881,364 and range from \$1,917 in Rush to \$2,164,919 in Lower Paxton. The tax levies in the boroughs rose by \$15,250 or 0.4 percent over 1999 and by \$766,725 or 28.1 percent over 1995. Levies in the townships during these two periods of time increased by \$226,278 or 2.1 percent and \$1,587,264 or 17.1 percent, respectively.

Harrisburg City’s real estate tax levy in 2000 is \$13,075,296, up by \$216,058 or 1.7 percent from 1999 and by \$549,256 or 4.4 percent since 1995. The city, unlike the county’s other municipalities, levies separate tax rates on the land value and improvements value of each property. The tax levy on land increased by \$900,585 or 16.9 percent since last year and by \$1,712,027 or 37.9 percent since 1995; the levy on improvements fell by \$684,527 or 9.1 percent from 1999 and by \$1,162,771 or 14.5 percent from 1995.

Real estate tax millages for general purposes (and for special purposes if levied throughout the jurisdiction) increased in three municipalities between 1999 and 2000 and were unchanged in the remaining 35. Millage increases were recorded in Harrisburg City (land by 9.73 mills or 25.4 percent and improvements by 0.03 mill or 0.3 percent), in Gratz Borough (by 0.50 mill or 50.0 percent), and in Wiconsico Township (by 0.50 mill or 14.3 percent). (See Exhibit I.)

Harrisburg City's 2000 tax rates are 48.09 mills on land and 9.618 mills on improvements; for purposes of comparison these rates convert to a single millage equivalent of 15.538, which is up by 1.53 mills or 11.0 percent from last year.

Dauphin County's 2000 millage for general purposes rose by 1.25 mills over 1999 to 9.346 mills; the special library tax levy (which is in effect in all municipalities but Middletown Borough and Derry Township) was unchanged at 0.450 mill. The total 2000 county rate paid in all but these two municipalities is 9.796 mills.

For the five-year period beginning in 1995, general purpose real estate tax millages increased in 21 municipalities, decreased in one, and were unchanged in 18. The largest millage increase during this period was recorded in Penbrook Borough (4.55 mills); the largest proportionate real estate tax increase occurred in Upper Paxton Township (219.4 percent).

Harrisburg's millage on land rose by 15.84 mills (49.1 percent) between 1995 and 2000, while the millage on improvements decreased by 1.13 mills (10.5 percent). The single millage equivalent is up by 1.13 mills or 7.9 percent over 1995. Dauphin County's millage increased by 2.75 mills (39.0 percent) during this period.

Millage rates in Dauphin County's boroughs now range from 1.2 in Pillow to 13.3 in Paxtang; millages in the townships range from 0.3021 in East Hanover to 3.57 in Lower Swatara. For purposes of comparison, Harrisburg's separate tax rates on land and improvements convert to a single millage equivalent of 15.5380 mills. The townships of Conewago and Middle Paxton did not levy real estate taxes 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, eight Dauphin County municipalities report annual residential garbage collection fees in 2000 ranging from \$91 to \$168. Also, various nonproperty taxes, particularly those levied under Act 511, are widely used by Dauphin 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 Dauphin County for 2000 totals \$6.4 billion, an increase of \$18,534,450 or 0.3 percent over 1999. Assessed valuations rose in 30 of the county's 40 municipalities since last year ranging from \$400 in Halifax Township to \$51,477,300 in Londonderry Township (which also recorded the largest proportionate increase—46.0 percent). Other significant dollar increases occurred in the townships of Lower Paxton (\$20,639,400) and Susquehanna (\$27,342,000). The largest of the ten decreases in assessed valuations were experienced in Harrisburg City (\$82,825,800 or 9.0 percent) and Derry Township (\$32,494,000 or 3.5 percent).

As stated in the context of the tax levy increases for 2000, a significant portion of the increase in the 2000 assessed valuation countywide and almost all of the increase in Londonderry Township flows from the valuation placed on the deregulated nuclear electric generating facility which is the subject of an appeal. In the absence of the assessment that is in dispute, the total 2000 assessed valuation of the county would have fallen by \$30,287,050 or 0.5 percent from 1999 (and risen by \$436,435,750 or 7.3 percent over 1995). In Londonderry Township the 2000 assessed valuation would have risen by only \$2,655,800 or 2.4 percent over 1999 (and by \$13,048,500 or 12.8 percent over 1995).

Harrisburg City's total assessed valuation decreased by \$82,825,800 or 9.0 percent between 1999 and 2000—the valuation on land fell by \$9,367,700 or 6.7 percent; the valuation on improvements dropped by \$73,458,100 or 9.4 percent.

For the five-year period beginning in 1995, Dauphin County's assessed valuation rose by \$485,257,250 or 8.1 percent. Assessed valuations increased in 34 of the county's municipalities. The largest dollar growth occurred in the townships of Londonderry (\$61,870,000), Lower Paxton (\$112,751,800), and Susquehanna (\$115,225,700). During the five-year period the largest proportionate increase occurred in Londonderry Township (60.9 percent). Decreases were recorded in Harrisburg City (\$43,702,100 or 4.9 percent), in the boroughs of Middletown (\$621,600 or 0.5 percent), Paxtang (\$292,000 or 0.9 percent), Penbrook (\$243,100 or 0.6 percent), and Steelton (\$13,987,750 or 15.9 percent), and in Reed Township (\$252,300 or 3.7 percent). (See Exhibit II.)

The 2000 assessed valuations of Dauphin County's 16 boroughs range from \$3,957,200 in Pillow to \$124,968,200 in Middletown, while the range in the 23 townships is from \$4,238,600 in Rush to \$1,348,943,400 in Lower Paxton. Harrisburg City's assessed valuation is \$841,503,900.

The county's predetermined assessment ratio for 1995, 1999, and 2000 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 60.0 percent in 1995 and 54.4 percent in 1998 (the most recent figure available). Dauphin County's most recent comprehensive reassessment was in 1972; however, the county changed its predetermined ratio to 100 percent in 1986. The county is in the process of reassessing with implementation expected in 2002.

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 Dauphin County and throughout Pennsylvania.

EXHIBIT I

Dauphin County
County and Municipal Real Estate Tax Rates and Levies ^{1/}
 2000

	2000		Change 1999 to 2000				Change 1995 to 2000			
	Tax	Tax	Tax Rate		Tax Levy		Tax Rate		Tax Levy	
	Millage	Levy	Mills	%	\$	%	Mills	%	\$	%
COUNTY:										
Dauphin ^{2/ 3/}	9.7960	\$62,823,382	1.25	14.6	8,248,982	15.1	2.75	39.0	21,016,088	50.3
CITY:										
Harrisburg—Total ^{4/}	15.5380	13,075,296	1.53	11.0	216,058	1.7	1.13	7.9	549,256	4.4
Land	48.0900	6,227,140	9.73	25.4	900,585	16.9	15.84	49.1	1,712,027	37.9
Improvements	9.6180	6,848,156	0.03	0.3	-684,527	-9.1	-1.13	-10.5	-1,162,771	-14.5
BOROUGHES:										
Berrysburg	1.0640	4,595	—	—	-78	-1.7	—	—	235	5.4
Dauphin	3.0000	38,801	—	—	1,041	2.8	—	—	2,793	7.8
Elizabethville	9.0000	164,985	—	—	825	0.5	2.50	38.5	51,905	45.9
Gratz	1.5000	17,849	0.50	50.0	6,336	55.0	0.50	50.0	7,374	70.4
Halifax	3.2000	27,383	—	—	-37	-0.1	2.00	166.7	17,324	172.2
Highspire	11.7500	438,320	—	—	-2,249	-0.5	1.75	17.5	70,814	19.3
Hummelstown	2.6800	195,138	—	—	6,382	3.4	—	—	26,218	15.5
Lykens	4.2000	83,996	—	—	442	0.5	1.00	31.3	20,812	32.9
Middletown	5.0700	633,589	—	—	-2,304	-0.4	1.00	24.6	122,439	24.0
Millersburg	6.5000	250,114	—	—	-4,053	-1.6	0.50	8.3	20,897	9.1
Paxtang	13.3000	413,637	—	—	937	0.2	3.95	42.2	120,117	40.9
Penbrook	10.5500	422,596	—	—	-913	-0.2	4.55	75.8	180,798	74.8
Pillow	1.2000	4,749	—	—	157	3.4	—	—	160	3.5
Royalton	5.0000	51,244	—	—	3,589	7.5	1.35	37.0	18,965	58.8
Steelton	8.9989	664,179	—	—	5,030	0.8	2.50	38.4	93,513	16.4
Williamstown	6.7000	79,463	—	—	145	0.2	1.00	17.5	12,361	18.4
TOWNSHIPS:										
Conewago	—	—	—	—	—	—	—	—	—	—
Derry	2.1190	1,923,605	—	—	-68,854	-3.5	0.41	24.0	457,534	31.2
East Hanover	0.3021	46,467	—	—	1,016	2.2	—	—	4,617	11.0
Halifax	1.5000	106,640	—	—	1	<0.1	1.00	200.0	73,702	223.8
Jackson	0.4500	15,514	—	—	348	2.3	—	—	1,743	12.7
Jefferson	2.0000	16,416	—	—	174	1.1	0.83	70.9	8,273	101.6
Londonderry ^{5/}	2.0000	326,838	—	—	102,954	46.0	—	—	123,740	60.9
Lower Paxton	1.6049	2,164,919	—	—	33,124	1.6	-0.18	-10.1	-41,559	-1.9
Lower Swatara	3.5700	1,033,732	—	—	35,010	3.5	—	—	230,686	28.7
Lykens	0.5000	12,397	—	—	109	0.9	—	—	986	8.6
Middle Paxton	—	—	—	—	—	—	—	—	—	—
Mifflin	1.0000	16,068	—	—	-210	-1.3	0.35	53.8	6,452	67.1
Reed	3.0000	19,668	—	—	-228	-1.1	—	—	-757	-3.7
Rush	0.4523	1,917	—	—	31	1.6	—	—	178	10.2
South Hanover	0.8766	112,337	—	—	2,815	2.6	—	—	10,384	10.2
Susquehanna ❖	3.1000	2,209,411	—	—	84,760	4.0	—	—	357,200	19.3
Swatara ❖	3.1100	2,102,181	—	—	14,807	0.7	0.15	5.1	185,704	9.7
Upper Paxton	1.4558	112,922	—	—	2,467	2.2	1.00	219.4	82,116	266.6
Washington	2.5000	124,817	—	—	2,218	1.8	—	—	17,455	16.3
Wayne	1.0025	26,926	—	—	629	2.4	—	—	5,013	22.9
West Hanover	2.4100	417,460	—	—	7,720	1.9	—	—	36,948	9.7
Wiconisco	4.0000	50,213	0.50	14.3	6,807	15.7	1.75	77.8	23,388	87.2
Williams	2.6000	40,916	—	—	581	1.4	0.07	2.6	3,461	9.2

❖ First Class Township

^{1/} Tax rates and levies are based on certified municipal assessments at 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 60.0 percent in 1995 and 54.4 percent in 1998 (the most recent figure available).

^{2/} Includes Dauphin County's library millage of 0.45 mill for 1999 and 2000; it was 0.30 in 1995. This tax is in effect in all municipalities except Derry Township and Middletown Borough. The 2000 tax levy for library purposes is \$2,442,533—up by \$23,167 or 1.0 percent from 1999 and by \$944,960 or 54.2 percent from 1995. The county's general purpose real estate tax levy in 2000 is \$60,380,849—up by \$8,225,815 or 15.8 percent from 1999 and by \$20,071,128 or 49.8 percent from 1995.

^{3/} More than \$400,000 of the county's overall real estate tax levy for 2000 is linked to the assessment on a deregulated nuclear electric generating facility; this is about 5.0 percent of the increase in the county's tax levy since last year. The taxable value of this facility is the subject of an assessment appeal; as such, there is some question as to whether this revenue will be realized this year.

^{4/} Figures represent the single millage equivalent of the city's split tax rate on land and improvements and the resulting combined tax levy.

^{5/} Virtually all (almost \$98,000) of Londonderry Township's increase in tax levy for 2000 is related to the assessment on the deregulated nuclear electric generating facility which is under appeal. It is uncertain that this revenue will materialize in 2000.

EXHIBIT II

Dauphin County
Assessed Valuations^{1/}
 2000

	Assessed Valuation	Change 1999 to 2000		Change 1995 to 2000	
		\$	%	\$	%
COUNTY:					
Dauphin ^{2/}	\$6,460,608,750	18,534,450	0.3	485,257,250	8.1
CITY:					
Harrisburg—Total	841,503,900	-82,825,800	-9.0	-43,702,100	-4.9
Land	129,489,300	-9,367,700	-6.7	-10,514,200	-7.5
Improvements	712,014,600	-73,458,100	-9.4	-33,187,900	-4.5
BOROUGHES:					
Berrysburg	4,318,600	-73,100	-1.7	221,200	5.4
Dauphin	12,933,500	346,800	2.8	930,900	7.8
Elizabethville	18,331,700	91,700	0.5	934,800	5.4
Gratz	11,899,300	386,700	3.4	1,424,500	13.6
Halifax	8,557,200	-11,700	-0.1	174,800	2.1
Highspire	37,303,800	-191,400	-0.5	553,200	1.5
Hummelstown	72,812,700	2,381,300	3.4	9,782,800	15.5
Lykens	19,999,100	105,200	0.5	254,000	1.3
Middletown	124,968,200	-454,500	-0.4	-621,600	-0.5
Millersburg	38,479,100	-623,500	-1.6	276,300	0.7
Paxtang	31,100,500	70,400	0.2	-292,000	-0.9
Penbrook	40,056,500	-86,500	-0.2	-243,100	-0.6
Pillow	3,957,200	130,400	3.4	133,300	3.5
Royalton	10,248,700	717,800	7.5	1,405,200	15.9
Steelton	73,806,950	568,200	0.8	-13,987,750	-15.9
Williamstown	11,860,200	21,700	0.2	87,900	0.7
TOWNSHIPS:					
Conewago	74,771,300	980,800	1.3	7,556,900	11.2
Derry	907,788,900	-32,494,000	-3.5	49,935,600	5.8
East Hanover	153,794,200	3,363,200	2.2	15,283,400	11.0
Halifax	71,093,600	400	<0.1	5,217,300	7.9
Jackson	34,476,200	774,700	2.3	3,874,500	12.7
Jefferson	8,208,000	87,000	1.1	1,248,200	17.9
Londonderry ^{2/}	163,419,100	51,477,300	46.0	61,870,000	60.9
Lower Paxton	1,348,943,400	20,639,400	1.6	112,751,800	9.1
Lower Swatara	289,560,700	9,806,700	3.5	64,617,900	28.7
Lykens	24,794,400	218,700	0.9	1,972,800	8.6
Middle Paxton	122,083,400	1,240,900	1.0	7,743,000	6.8
Mifflin	16,068,400	-209,400	-1.3	1,275,200	8.6
Reed	6,556,000	-75,900	-1.1	-252,300	-3.7
Rush	4,238,600	70,000	1.7	394,100	10.3
South Hanover	128,157,900	3,210,700	2.6	11,846,200	10.2
Susquehanna ❖	712,713,200	27,342,000	4.0	115,225,700	19.3
Swatara ❖	675,942,500	4,761,000	0.7	28,483,900	4.4
Upper Paxton	77,566,500	1,694,400	2.2	9,982,300	14.8
Washington	49,926,600	886,900	1.8	6,981,800	16.3
Wayne	26,858,700	627,700	2.4	5,001,200	22.9
West Hanover	173,219,900	3,203,300	1.9	15,331,100	9.7
Wiconisco	12,553,300	151,550	1.2	631,300	5.3
Williams	15,736,800	223,400	1.4	953,000	6.4

❖ First Class Township

^{1/} Valuations are based on certified municipal assessments at 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 60.0 percent in 1995 and 54.4 percent in 1998 (the most recent figure available).

^{2/} A significant portion of increase in the 2000 assessed valuation countywide and almost all of the increase in Londonderry Township flows from the valuation placed on a deregulated nuclear electric generating facility which is the subject of an appeal. In the absence of the assessment that is in dispute, the total 2000 assessed valuation of the county would have fallen by \$30,287,050 or 0.5 percent from 1999 (and risen by \$436,435,750 or 7.3 percent over 1995). In Londonderry Township the 2000 assessed valuation would have risen by only \$2,655,800 or 2.4 percent over 1999 (and by \$13,048,500 or 12.8 percent over 1995).