

**MOTION EXPRESSING THE SENSE OF COUNCIL OF ALLEGHENY COUNTY**, supporting the amendment of Act 55 of 1997, the Institutions of Purely Public Charity Act, by Senate Bill 1328 in order to authorize the imposition of an essential services fee to properties that are otherwise exempted from real property taxation.

**WHEREAS**, the Institutions of Purely Public Charity Act, 10 P.S. §371 *et. seq.*, exempts certain entities from local property taxation; and

**WHEREAS**, this exemption applies regardless of the amount by which an entity's revenue exceeds its expenses, a condition that has led to many entities that maintain significant surpluses and that have the ability to pay taxes bearing none of the burden of paying for the government services that they rely upon and from which they derive a benefit; and

**WHEREAS**, the Institutions of Purely Public Charity Act, 10 P.S. §372(a)(7) clearly states that "[i]nstitutions of purely public charity benefit substantially from local government services. These institutions have significant value to the Commonwealth and its citizens, and the need exists for revenues to maintain local government services provided for the benefit of all citizens, including institutions of purely public charity. It is the intent of this act to encourage financially secure institutions of purely public charity to enter into voluntary agreements or maintain existing or continuing agreements for the purpose of defraying some of the cost of various local government services;" and

**WHEREAS**, tax-exempt entities own properties with an aggregate assessed value of roughly \$15.8 billion within Allegheny County and, if subjected to the same County tax rate as all other properties within the County, would pay over \$74 million in taxes to the County; and

**WHEREAS**, these tax exempt entities will voluntarily pay under \$300,000 to the County in 2008, an arrangement that effectively shifts a tax burden of over \$73 million to the other property owners within the County; and

**WHEREAS**, Pennsylvania Senator Wayne Fontana has announced that he will introduce Senate Bill 1328, an amendment to the Institutions of Purely Public Charity Act, in order to permit municipalities, including the County, to assess an essential services fee on properties that are currently exempted from taxation; and

**WHEREAS**, Senate Bill 1328 would permit the recovery of a portion of the tax burden that is currently not being paid by tax exempt entities, while not requiring those entities to pay more than fifty percent (50%) of the full rate of taxation on their properties in recognition of the important role that they fill within the community;

**NOW THEREFORE, IT IS MOVED, AND IT IS THE SENSE OF THE COUNCIL OF ALLEGHENY COUNTY**, that the Council supports the amendment of Act 55 of 1997, the Institutions of Purely Public Charity Act, by Senate Bill 1328 in order to authorize the imposition of an essential services fee on properties that are otherwise exempted from real property taxation.

**IT IS FURTHER MOVED** that the Council supports the recognition of the important role of entities that are exempted from taxation by the Institutions of Purely Public Charity Act through the partial, rather than complete, exemption from taxation of properties owned by such entities, and urges the General Assembly to adopt Senate Bill 1328 as a means of striking a balance between this recognition and the vital importance of establishing an equitable system of paying for services that benefit both tax exempt and other property owners alike.

**PRIMARY SPONSOR: PRESIDENT FITZGERALD**

**CO-SPONSORS: COUNCIL VICE-PRESIDENT MARTONI, COUNCIL MEMBERS BURN, FUTULES, MCCULLOUGH, & ROBINSON**

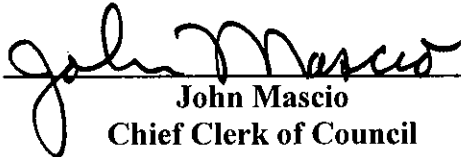
In Council April 1 2008.

Read and Approved.



Rich Fitzgerald  
President of Council

Attest:



John Mascio  
Chief Clerk of Council

**Mascio, John R.**

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**From:** Mascio, John R.  
**Sent:** Tuesday, April 08, 2008 12:14 PM  
**To:** Gerald J. Lavalle; J. Barry Stout; Jane Orie; Jay Costa; Jim Ferlo ; John Pippy; Sean Logan; Wayne Fontana ; Anthony DeLuca; Bill Kortz ; Chelsa Wagner; Dan Frankel; David Levdansky; Don Walko; Frank Dermody; Harry Readshaw; Jake Wheatley; Jessie White ; John Maher; John Perzel; Joseph F. Markosek; Joseph Preston, Jr.; Lisa Bennington; Marc Gergely; Mark Mustio; Matthew Smith; Mike Turzai; Nick Kotik; Paul Costa; Randy Vulakovich; Sean M. Ramaley; Shawn Flaherty ; 'Thomas C. Petrone'  
**Subject:** Bill No. 3893-08 - Motion of Allegheny County Council  
**Attachments:** Bill No. 3893-08.PDF

At the Regular Meeting of Allegheny County Council held on April 1, 2008, Council unanimously approved the attached Motion (Bill No. 3893-08) supporting the amendment of Act 55 of 1997, the Institutions of Purely Public Charity Act, by Senate Bill 1328 in order to authorize the imposition of an essential services fee to properties that are otherwise exempted from real property taxation.

Your attention to this Motion is requested.

John Mascio  
Chief Clerk  
Allegheny County Council

4/8/2008