

Land Use Tax Bill Meeting

[Continued from Page 1]

open space being lost to urbanization at a rate of 1,000 square miles per year in the U. S. and nearly 8,000 acres in Lancaster County each year, there is an obvious need to do something, Williams commented.

The problem, he said, is "that a farmer must sell his farm to get his money out and to realize a profit. And when a farmer decides to sell his land to the highest bidder, it goes out of agriculture. Farmers are being outbid for land, and many farmers figure they can't afford to farm." Noting that the man with the most land is the farmer, Williams said, "Property taxes bear no relation to his net income." He added that present state law compounds the problem, because land must be assessed at market value.

One of the main questions about House Bill 1056, according to Williams, is "Who will pick up the tax bill if farmers are given a special assessment?" Using Northampton County as an example - where a limited land use assessment program has already locked 115 square miles of land into agriculture for ten years - Williams said it is estimated that total tax bill will increase only 2 cents on each \$1,000. "On my house in Camp Hill that would cost me 16 cents. I'm for it," he says.

State Representatives Reno H. Thomas and Kent Shelhamer shared the platform in explaining considerations given by members of the Agriculture Committee as they began work to implement the new constitutional amendment voted by the people in the May primary.

Shelhamer, a fruit grower from Columbia County and minority chairman of the House Agriculture Committee, spoke on what he called the two most controversial areas of the bill - the roll back clause and the split off provision.

According to Shelhamer,

the rollback clause designates "the amount of money required if land use is changed or land taken out of the program." He says that a dual bookkeeping system would be employed - one showing the taxes which would have been paid under the current system of taxation, and one which showing the taxes actually paid under the assessment according to use. Shelhamer called this part of the bill protection for other landowners and tax payers, adding that five years is a compromise proposal.

Under questioning, Shelhamer stressed that the roll back taxes are due only when the land use is changed.

Another contested area of the bill is the splitoff provision, allowing farmers to use parcels of their land for building lots. Shelhamer called this the "keystone of the whole thing." According to the bill, farmers may split off small parcels of land, paying roll back taxes only on that portion and allowing the remainder to stay in the program.

Thomas, vice-Chairman of the House Agriculture Committee and a Master Farmer from Snyder County, said the intent of the committee was "to keep the bill as simple as we could. We tried to keep all the bureaucracy out of it and tried to give it right back to local control."

He added that 80 percent of the Commonwealth has not been affected by the problem of urban sprawl. But it is for the twenty percent which have a very serious problem, that "we must have this bill to give immediate relief." He added, "The bill is built in protection so it won't happen to the other 80 percent." He said, "We just can't build over Pennsylvania - it is really important to the cities that we have open space for clean air."

In discussing the mechanics of applying for special assessment, Thomas said, "After you apply, the

local county board of assessment makes the decision as to whether you qualify for special land use assessment. In most counties today you couldn't qualify because you first must show there is abuse of taxation, and if there is no abuse there will be no special assessments."

He said, "We want this to be a voluntary program with real incentive so people will want to make an investment."

Criticism of the bill came on two points from the other two panelists. County Administrator Benjamin F. Weaver took strong exception to the portion of the bill which exempts land from roll back taxes in the case of disability or death. When questioned, he said he has no quarrel with the necessity of a disability clause, but feels that if there is no roll back for the estate, the land will be held and sold at an advantage as part of the settlement.

J. - Arthur Rohrer, speaking both as a township supervisor and as a farmer, said his main objection is with the five year roll back. "Almost every farmer I talked to objected to the roll back." Rohrer is also a member of the Lancaster County Planning Commission.

Rohrer added that although the State Association of Township Supervisors opposes the proposal because of the loss of tax base, most "local supervisors do not object at all. Taxes are relatively low in this county, and we don't feel there is any real concern with the tax base."

Rohrer said in speaking with farmers in preparation for his part on the panel, "I was quite surprised because I didn't get the reaction I expected. Many didn't feel concerned about the bill."

"Mostly we were more concerned with alternatives or changes in existing laws." He said the consensus of those he spoke with was that the bill "won't help many of our local farmers, therefore, let's ask the legislature to pass a law asking local municipalities to add an extra 1 percent earned income tax." He also suggested a "break on investment income" and a change in the tax laws which would allow a farmer to pay taxes on land he is selling at



Panelists for Wednesday night's educational forum on land use tax assessment listen while panel moderator Robert Williams lays the groundwork for the evening's discussion. The meeting was held at the Lancaster Farm and Home Center. Williams is associate editor of

Pennsylvania Farmer Magazine. Panelists, left to right, were Reno Thomas and Kent Shelhamer, both members of the state House and of the House Agriculture Committee, Benjamin Weaver, Lancaster County administrator, and J. Arthur Rohrer, a Lancaster County farmer.

the value from the 1970 assessment when the state income tax was instituted instead of from the price of the original land. Adding that he feels there is a need to help young farmers get started, he said a big concern is that under federal income tax law "I can't sell my farm to my son at any price I want." He added that it must be appraised and any difference in the selling price must be paid in gift taxes.

Aside from Weaver's criticism, he said he felt it was obvious from the overwhelming yes vote on the constitutional amendment that the people wanted something to be done on the land use assessment question. He said, "Property tax is bearing an unfair share of the tax burden and the ability to pay should be the main criteria in paying taxes."

He said it is his opinion that land was never intended to bear the major burden of taxes, especially with the increased social programs of today. He said, "Farmland is extremely important, and the Commissioners are receptive to the problem. He added, "Environmentalists, social development people and builders must all have their say in developing a comprehensive plan. We're growing and people have to go somewhere."

Weaver added that the three year roll back period in New Jersey's land use bill is "probably too short," and the five year period is "more realistic."

In the question period, Weaver noted that Lancaster County Commissioners are

planning for reassessment this year and are currently in the process of hiring someone to do the job. With 115,000 properties which must be visited he said the new assessments would probably not be on the rolls until 1976.

Rep. Thomas said it is his opinion that some sort of "advisory committee" will probably be called for to assist local boards in the final version of the bill.

Rep. Shelhamer said he would like to predict that the

bill could be passed by May, but added that "for the first time Pennsylvania agriculture is not of one mind," with the Pennsylvania Farmers Association and Grange going separate ways. He added that if the bill is not passed before the May primary it will be a problem of "politics, politics, politics."

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