

## United Voice Raised For Homestead Exemption

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chance for tax reform will die at least for the next decade.

Jere Swarr, a Rapho Township farmer from Manheim, was a guest presenter. He said the need for tax reform in the agriculture community is a more recent problem because the assessed value of the land is not necessarily the value the farmer can get as income from that land.

"The farmers are paying on the assessed value, which is very high," Swarr said. "But the income that can be generated cannot support those high values. The real value of the farm is the income a farmer can produce. Any tax reform will be helpful to Lancaster County, and the whole ag land preservation movement and the ag zones and urban growth boundaries. Everything ties together. I really believe we must support our

ag zones and our ag preserve farms. This feature to change the constitution is very critical to start tax reform."

Swarr also noted that the retired farmer who has farmed all his life and wants to retain his farm, cannot rent the land for much more than the value of the taxes.

"The farm community will only pay so much to rent the land of the retired farmer," Swarr said. "And the amount of property tax that must be paid ends up being a very high percentage of the rent. The farmer wants to retain his land and yet with the present tax system he is penalized for that."

Other guests who spoke included Bob Schaal, an older homeowner who also works for the Office of Aging as a volunteer, and Mary Tribble, a Lancaster city resident and small business owner.



The Lancaster County commissioners hold a news conference. From left Bob Schaal, representing older homeowners, Ron Ford, Paul Thibault, vice chairman, Terry Kauffman, chairman, and Jere Swarr, Rapho Township farmer.

The Homestead Exemption referendum is one of several on the ballot.

## Broad Support For Homestead Exemption Referendum

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Lancaster Farming Staff  
HARRISBURG (Dauphin Co.) — Support for approval of a proposed Homestead Exemption ballot question Tuesday has been widespread.

Every major agricultural organization has sent press releases and made statements declaring support of the referendum which would set up the go-ahead for state legislators to change the Pennsylvania Constitution to allow for different taxing of homes — the Constitution requires all real estate to be taxed at the same level.

The referendum is to appear on the ballots Tuesday, Nov. 4, across the state.

There are other Constitution-changing questions to be asked of voters on Tuesday — do they want to change the structure of the state pardons board? (making it harder to get pardoned); and, do voters want to make it easier to vote by absentee voting methods?

The Homestead Exemption question has been at the forefront of interest by agriculture and governmental officials, because it is being seen and promoted as the first step toward true local tax reform.

The basic ideology of local tax reform would be to allow each local taxing authority the ability to use a mix of taxes that would better reflect local ability to pay taxes.

As it is, there are few options, but increasingly diverse economic makeup across the state.

Further, as land preservation has become a greater issue, and taxation of properties of those with set incomes has increased, concern has grown statewide about the restrictions on taxing authorities.

It has become widely apparent that the taxing laws have become an obstacle in the attempt to provide a sense of fairness in taxation.

Those in agriculture should be familiar with the state's Clean and Green preferential taxation law, which also required a change in the state Constitution.

Clean and Green allows the property to be assessed for agricultural value, instead of straight market value, or highest price value.

However, Clean and Green hasn't provided adequate relief and hasn't protected farmers from having their homes and buildings assessed at ridiculous rates —

farm homes get assessed as though they are not located on a farm, but somewhere else.

With a number of counties having undergone mandatory tax reassessments recently (because local political leadership refused to conduct reassessments because of their political unpopularity and in many cases allowed assessments to remain at 1960s values), many people have discovered that their farmhouse has been valued at tremendously high rates, increasing their property taxes significantly, even after they enrolled their farmland in the Clean and Green program.

What the homestead exemption would do, is allow a local government or school district to be able to offer an across-the-board reduction on assessed values of homes in order to reduce the tax bill for home ownership.

The way it would be figured out would be on the median values of properties. Therefore, a local taxing authority, for its purposes, could reduce the assessed value of homes by up to 50-percent of the median value of homes in its area.

For example, if the median value of homes in an area was \$50,000, that would reflect the middle value, or the average of the most numerous homes.

The homestead exemption would then allow a local taxing authority to reduce the assessed values by up to \$25,000 (half of the median value).

That's what would happen. The local taxing authority would find the median, deduct a set amount from the regular assessed value of a home, and then request payment of taxes based on that value.

So, if the exemption were for \$25,000, and the home was worth \$75,000, it would be taxed as though it were worth \$50,000.

In the same area, if the home were assessed at \$250,000, the new taxable value would be \$225,000.

Therefore, the exemption would seem to mostly benefit those with less valuable properties.

The millage couldn't be raised above lawful limits now in place, and other properties couldn't be taxed more to make up for the loss in money coming from taxing homes.

Proponents claim approving the homestead exemption will set up local tax reform by changing the

constitution, and setting up a legal foundation for further change.

All the details of the actual taxing changes would be worked out in Harrisburg by the Legislature.

Some of the ways being discussed of making up for lost tax revenue would be the implementation of a local income and/sales tax.

Those concerns are still a long way into the future.

It took two consecutive approvals in two separate sessions of the state Legislature in order to get the homestead exemption question to be placed on the ballot. If it fails, it would take another two successful sessions of the Legislature to again approach the state's voters with another question.

While there have been fewer than a handful of letters objecting, or dissenting opinions published in regional newspapers, the general position of all the agricultural organizations is that approval of a homestead exemption will benefit agriculture.

The state Senate approved a resolution calling for promotion and support of the measure, and individual state senators and representatives have been publicly supporting it.

Early this week, former Gov.



Jere Swarr, Rapho Township farmer from Manheim, spoke at a news conference held by the Lancaster County commissioners Thursday morning. The conference was called to show support for the Homestead Exemption referendum that will appear on the Pennsylvania ballots next Tuesday. Swarr spoke for the farm community.

Dick Thornburgh joined legislators in a rally to support the exemption. Former Gov. Robert Casey also has stated support for it, according to published reports.

Penn State University College

of Agricultural Sciences Cooperative Extension published an objective analysis of the proposed homestead exemption amendment to the constitution. They should be available through the local extension office.

### Taxing Questions

On Tuesday, Nov. 4, Pennsylvania's voters are to be asked three questions about changing the state constitution, in addition to selecting a state of government officials.

The questions, or referendums, that will appear deal with prison board pardons, providing for some exemption of assessed values of homes for local taxing, and make it easier to vote with an absentee ballot.

The questions are to appear as follows. Read them, and consider them now, instead of in the voting booth.

#### Homestead Exemption Joint Resolution No. 1997-1

Shall the Pennsylvania Constitution be amended to permit the enactment of legislation authorizing local taxing authorities to exclude from taxation an amount based on the assessed value of homestead property, with the limitations that the exclusions shall not exceed one-half of the median assessed value of all homestead property within the taxing jurisdiction and that the taxing authority may not increase the millage rate of its tax on real property to pay for these?

#### Prison Pardon Board Joint Resolution No. 1997-2

Shall the Pennsylvania Constitution be amended to require a unanimous recommendation of the Board of Pardons before the Governor can pardon or commute the sentence of an individual sentenced in a criminal case to death or life imprisonment, to require only a majority vote of the Senate to approve the Governor's appointments to the board, and to substitute a crime victim for an attorney and a corrections expert for a penologist as board members?

#### Absentee Voting Joint Resolution No. 1997-3

Shall the Pennsylvania Constitution be amended to require the enactment of legislation permitting absentee voting by qualified electors who at the time of an election may be absent from the municipality where they reside because their duties, occupation or business require them to be elsewhere, which would change the current law permitting absentee voting by such qualified electors only when they are absent from the entire county where they reside?

*make it Milk*