

# The Impact of Tax-Exempt Properties on Municipalities in Pennsylvania

Vinny Cannizzaro, PhD  
Executive Director  
Pennsylvania Economy League

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## Contact

Po Box 27  
Camp Hill, PA 17001

[pelcentral.org](http://pelcentral.org)

570-824-3559

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### **Abstract**

Tax-exempt properties in Pennsylvania place a significant strain on the financial well-being of communities. While some municipalities report 0% of property as tax-exempt, others report rates as high as 96%. In first, second, or third-class cities, on average, 38% of the total market property value is owned by tax-exempt organizations; in first or second-class townships, 14% of the total market property value is owned by tax-exempt organizations; in boroughs, 20% of the total market property value is owned by tax-exempt organizations. Moreover, in 2022, it is estimated that the total market value of all tax-exempt properties exceeded \$141 billion. When considering the localized property tax rate levied by municipalities for general or special purposes, municipalities across the Commonwealth experienced a tax liability of \$900 million. A variety of factors—including the makeup of a community, the physical aspects of a community, a municipality’s adoption of home rule, policy choices, and the implementation of administrative practices—impact a municipality’s proportional distribution of tax-exempt property. Specifically, a municipality’s poverty rate, labor force participation rate, the physical classification as a rural municipality, the adoption of a home rule charter, and the number of governmental employees yield statistically significant marginal effects on the proportional distribution of tax-exempt property. Finally, an assessment of three policy choices to decrease the tax liability created through tax-exempt property is provided.

## Table of Contents

<b>Introduction</b>	4
<b>Data and Methodology</b>	6
<b>Descriptive Analysis</b>	8
The Status of Tax-Exempt Properties in Pennsylvania Municipalities	8
Demographics	10
Structure of Government	14
Policy Choices	14
Municipal Administrative Practices	16
<b>Statistical Analysis</b>	17
Overall Model	18
Overall Model – Limited to Home Rule Municipalities	21
<b>Discussion and Potential Policy Choices</b>	26
Payment in Lieu of Taxes	28
Imposition of Service Fees	29
Land Value Taxation	31
Conclusion	32
<b>Works Cited</b>	33
Appendix 1 – Proportional Distribution of Tax-Exempt Property by Total Market Value – By Type of Municipality	35
Appendix 2 – Proportional Distribution of Tax-Exempt Property by Total Market Value – County	38
Appendix 3 – Proportional Distribution of Tax-Exempt Property by Total Market Value – By Population Bracket	39
Appendix 4 - Fractional Logit Model - Comparing the Overall Model with Home Rule and Non-Home Rule Model	40

## **Introduction**

We rely on the government in our times of need. During times of war, we rely on the federal government—countless elected officials, policymakers, and bureaucrats—to ensure our collective safety and well-being. During natural disasters, we often rely on state governments—countless elected officials, policymakers, and bureaucrats—to provide our first lines of relief. Nevertheless, our local governments offer our most immediate and often emergency assistance throughout our everyday lives. Firefighters, EMS and emergency personnel, and police officers—these individuals are frequently uniquely funded by local governments, ensuring our communities can continue to thrive.

While public attention is usually directed toward federal and, to a lesser extent, state politics and public policies, local governments are at the heart of communities. Local governments “manage the day-to-day affairs of domestic life, including financial administration, police protection, parks and recreation, roads, emergency medical services, transportation (including taxis and public transportation) utilities and public works (the streets, sewers, snow removal, signage and so on)” (Haughey, 2022). Moreover, local governments are closest to the people, and residents often look directly to their local officials to solve some of our most pressing concerns (Cannizzaro, 2022). “Timely, important, and significant policy problems are present within” local communities, but the ability to adequately address these concerns relies upon a local government’s financial and economic outlook (Cannizzaro, 2022). More specifically, the ability of local governments to effectively and efficiently obtain revenue equates to its ability to provide services to its populace.

Across the United States, over 64% of revenue obtained by cities comes from property taxes, income taxes, sales taxes, and fees or charges extended to residents or individuals

employed in their geographic region (GFOA, 2024b). In Pennsylvania, local property taxes encompass over 30% of a municipality's overall general revenue (GFOA, 2024a). At the same time, property taxes are inherently important to a municipality's financial sustainability and a community's ability to meet and provide the service needs of residents and workers; not all properties are taxed. Throughout the United States, organizations identified as charitable under IRS regulations and individual state codes are primarily exempt from property tax obligations.

According to Camper, “Nonprofit organizations play a vital role in building healthy communities by providing critical services that contribute to economic stability and mobility” (Camper, 2016). Local nonprofit organizations not only intimately understand the local socioeconomic environment of their communities but also can fill gaps in services left by both market and governmental failures (Kenyon & Langley, 2011). Moreover, many nonprofit organizations serve as “major employers” and assist in local tourism efforts (Kenyon & Langley, 2011).

However, while nonprofits are exempt from paying property taxes in all 50 states, these organizations, as well as their employees, rely on local governmental expenditures—most potentially “police and fire protection and street maintenance”—equally to their for-profit peers (Kenyon & Langley, 2011; Cherry, 2017). As a result, some argue that while nonprofits are essential for community well-being, they simultaneously serve as a “costly drain on their local tax base” (Cherry, 2017). As such, the degree of property tax exemptions is a “significant source of fiscal stress on local jurisdictions”; as more properties are removed from the tax base, local governments lose their ability to provide the breadth of services needed (Mullen, 1990). Because of their tax-exempt status, “homeowners and businesses must bear a greater share of the property tax burden” (Cherry, 2017). Moreover, while the cost burden and lost revenue typically impact

only a single municipality, the community and societal benefits obtained through the presence of the tax-exempt organization tend to extend beyond those geographic boundaries (Keisler & Ulbrich, 2012).

However, it should be noted that nonprofits are not the only entities to be exempt from property taxes. Across the United States, local governments are exempt from taxing themselves, and property owned by the federal government, state governments, foreign governments, or quasi-governmental organizations such as school districts and authorities (Office of the New York State Comptroller, 2013). Nevertheless, nonprofit hospitals and institutions of higher education encompass the vast majority of savings due to their tax-exempt status (Keisler & Ulbrich, 2012). While this may seem critical of an organization's tax-exempt status, non-profits remain a powerful, necessary, and valuable asset to all communities they reside and serve.

### **Data and Methodology**

The Pennsylvania Economy League (PEL) obtained data from various sources to complete this research. Data related to property values were collected as an aggregate monetary value for each municipality in Pennsylvania. Data regarding taxable property was obtained through the Pennsylvania State Tax Equalization Board (STEB), an independent agency housed under the Commonwealth's Department of Community and Economic Development. STEB was established to create uniformity in the Commonwealth's piecemeal property assessment/reassessment process. Its primary function is to "determine the aggregate market value of taxable real property in each political subdivision and school district throughout Pennsylvania" (STEB, 2024). STEB provided PEL with the most recent (2022) aggregated municipal-level property assessment data. To calculate the market value of these assessments, PEL applied each County's Common Level Ratio (CLR). The CLR is an annually published

percentage that attempts to create uniformity of Pennsylvania assessments that result from the irregularity of each County's property reassessment process.

In addition to taxable property data provided by STEB, PEL coordinated with the Assessors Association of Pennsylvania (AAP) to obtain the assessed value of all tax-exempt properties throughout Pennsylvania. Each county provided PEL with aggregated information on the assessed value of all tax-exempt properties within their geographic jurisdiction as of 2022. The CLR was applied to this data to obtain the market value of tax-exempt properties within each municipality.

Market values were utilized, as opposed to assessed values, due to the inconsistent—and potentially outdated—nature of any individual County's reassessment. For example, while Lackawanna County is currently undergoing a reassessment, the County's most recent reassessment occurred in 1968. In addition to the necessity to utilize market values, PEL was required to add the market value of taxable and tax-exempt properties to create a new total market value variable, as neither the state nor individual counties or municipalities collect or retain such information.

An overall limitation of the data is the lack of consistency in what are considered tax-exempt properties. More specifically, open space owned or held by a tax-exempt entity—such as the federal or state government—is not consistently applied to the total assessed value of tax-exempt properties. In one instance, over half of the total acreage of the municipality is open space (game land, parks, etc....) owned by a governmental entity. However, as there are no buildings or structures on these parcels, they were excluded from the tax-exempt property values provided to PEL.



### **Descriptive Analysis**

#### *The Status of Tax-Exempt Properties in Pennsylvania Municipalities*

There is sparse information regarding the exact nature and status of tax-exempt properties in Pennsylvania, primarily due to the problematic nature of collecting and assessing data on a disaggregated county-level basis throughout the state (Legislative Budget and Finance Committee, 2009). As of 2009, the majority of tax-exempt property in Pennsylvania was held by either religious or governmental institutions (Legislative Budget and Finance Committee, 2009). However, this does not take into account the value of these properties. While only 7% of Pennsylvania municipalities hosted “non-profit acute care hospitals and public or private universities,” there is little information on these institutions' total assessed or market value (Legislative Budget and Finance Committee, 2009).

Of the 2,560 municipalities assessed for this research, the percentage of tax-exempt property values ranges from 0% to over 96% in a municipality. When categorizing municipalities by type, cities (first, second, or third class) had the highest average rate, while townships had the lowest average rate. Moreover, while some municipalities do not have any tax-exempt properties with a market value, the overwhelming majority do (Appendix 1).

<b>Table 1: Proportional Distribution of Tax-Exempt Property by Broad Municipal Type</b>				
	<b>Average Rate</b>	<b>Minimum Rate</b>	<b>Maximum Rate</b>	<b>Total Municipalities</b>
Cities (First, Second, or Third Class)	37.82%	31.45%	48.87%	56
Townships (First or Second Class)	14.47%	0%	93.56%	1,548
Boroughs	19.65%	0%	96.39%	955

In addition to the distribution by municipal type, there is some variability in the average percentage of tax-exempt properties by county; however, most counties have percentages between 10-20% (Appendix 2). In addition to an assessment by counties, there is some variation in the average percentage of tax-exempt properties by the total population of a municipality;

municipalities with a population under 50,000 have average rates between 20%, while municipalities with a population over 50,000 have average rates above 20% (Appendix 3).

Tax-exempt property throughout Pennsylvania poses a significant financial liability. In 2022, the year this assessment is based, the total market value of all tax-exempt properties throughout Pennsylvania was \$141,313,717,092. While a large portion of this property resides in three cities (Philadelphia, Pittsburgh, and Scranton), significant amounts of tax-exempt property are distributed throughout the types of municipalities.

**Table 2: Total Market Value of Tax-Exempt Property by Municipal Type**

<b>Type of Municipality</b>	<b>Market Value of Tax-Exempt Property (2022)</b>
First Class City (Philadelphia)	\$45,382,276,206.00
Second Class Cities (Pittsburgh/Scranton)	\$13,213,177,292.00
Third Class Cities	\$10,905,777,274.00
First Class Townships	\$13,804,656,448.00
Second Class Townships	\$40,061,911,494.00
Boroughs	\$17,864,673,907.00

When considering and applying the individual millage rate of each municipality levied by the municipal government—not the school district—and including both general purpose and special purpose taxes, municipalities in Pennsylvania lost over \$905,000,000 in property tax revenue in 2022. While first-class cities (Philadelphia) hold the most considerable amount of this lost tax revenue, each type of municipality has lost significant tax revenue due to the tax-exempt status of properties within their jurisdictions.

**Table 3: Tax-Exempt Property Tax Liability by Municipal Type**

<b>Type of Municipality</b>	<b>Lost Property Tax Revenue (2022)</b>
First Class City (Philadelphia)	\$286,679,838.79
Second Class Cities (Pittsburgh/Scranton)	\$105,208,790.95
Third Class Cities	\$216,460,207.72
First Class Townships	\$59,521,620.91
Second Class Townships	\$97,073,674.07
Boroughs	\$138,821,441.61

While there is variability between the distribution of tax-exempt property rates based on municipal type and the size of an individual municipality, some overarching factors influence an increased propensity for tax-exempt rates. When considering these factors, the social and physical demographics of a municipality, the municipal governmental structures, the policy choices codified by a municipality, and a municipality’s implementation of administrative practices influence the rate of tax-exempt property in an individual municipality.

*Demographics*

When considering a municipality's makeup, there are correlations between the percentage of tax-exempt property within the municipality and various factors. When considering the overall makeup of a community, there is a positive, weak, statistically significant relationship between the total number of households within a municipality and the percentage of tax-exempt property.

Table 4: Pearson Correlation: Total Number of Households and Percentage of Tax-Exempt Property					
	Overall	3 <sup>rd</sup> Class City	1 <sup>st</sup> Class Township	2 <sup>nd</sup> Class Township	Borough
Number of Households	.0461*				.0932**
* = p<.05; ** = p<.01; *** = p<.001					

When further limitations on the makeup of a household are provided, the percentage of households within a municipality that encompass a married couple with children present in the household has a negative, weak, statistically significant relationship with the percentage of tax-exempt property.

Table 5: Pearson Correlation: Percent of Households that are Married with Children and Percentage of Tax-Exempt Property					
	Overall	3 <sup>rd</sup> Class City	1 <sup>st</sup> Class Township	2 <sup>nd</sup> Class Township	Borough
Married with Children	-.2041***		-.2838**	.1785***	.0979**
* = p<.05; ** = p<.01; *** = p<.001					

Municipalities with younger populations appeared to correlate strongly with the percentage of tax-exempt properties. The percentage of a municipality’s population under eighteen has a negative, weak, statistically significant correlation with the percentage of tax-exempt property within that municipality. Similarly, the median age of a community has a negative, weak, statistically significant correlation with the municipality’s percent of tax-exempt property.

Table 6: Pearson Correlation: Age of Municipal Population and Percentage of Tax-Exempt Property					
	Overall	3 <sup>rd</sup> Class City	1 <sup>st</sup> Class Township	2 <sup>nd</sup> Class Township	Borough
Percentage under 18 years old	-.1222***		-.2941**	-.1967**	-.0745*
Median Age	-.1109***	-.3033*			-.1403***

\* = p<.05; \*\* = p<.01; \*\*\* = p<.001

When considering the type of geography associated with a municipality, municipalities classified as rural have a weak negative correlation with the percentage of tax-exempt property compared to municipalities classified as suburban or urban.

Table 7: Spearman Rank Correlation: Municipal Geographic Type and Percentage of Tax-Exempt Property					
	Overall	3 <sup>rd</sup> Class City	1 <sup>st</sup> Class Township	2 <sup>nd</sup> Class Township	Borough
Rural	-.1100**	-.2821**	-.29.60**		

\* = p<.05; \*\* = p<.01; \*\*\* = p<.001

Related to a municipality's rural vs suburban or urban nature is the overall population of an individual municipality. The overall population of a municipality has a weak, statistically significant impact on the percentage of tax-exempt property within its borders.

Table 8: Pearson Correlation: Population of Municipality (2022) and Percentage of Tax-Exempt Property					
	Overall	3 <sup>rd</sup> Class City	1 <sup>st</sup> Class Township	2 <sup>nd</sup> Class Township	Borough
Population	.0463*				.1090***

\* = p<.05; \*\* = p<.01; \*\*\* = p<.001

Related to current population levels, changes in the population of an individual municipality between 2000 and 2020 had a negative, weak, statistically significant correlation with the percentage of tax-exempt property.

Table 9: Pearson Correlation: Population Change of Municipality (2000 – 2020) and Percentage of Tax-Exempt Property					
	Overall	3 <sup>rd</sup> Class City	1 <sup>st</sup> Class Township	2 <sup>nd</sup> Class Township	Borough
Population Change	-.1120***				-.1511***
* = p<.05; ** = p<.01; *** = p<.001					

When taking the totality of the demographic makeup of a community, municipalities can also be defined by the physical size of a community, as well as its population density. While the total physical size of a municipality in square miles has an overall negative, weak, statistically significant correlation with the percentage of tax-exempt property, there is a positive, weak, statistically significant correlation when limiting municipal type to only second-class townships. However, when combining a municipality's overall population and overall physical size through population density, there is a positive, weak, statistically significant correlative relationship.

Table 10: Pearson Correlation: Size and Population Density, and Percentage of Tax-Exempt Property					
	Overall	3 <sup>rd</sup> Class City	1 <sup>st</sup> Class Township	2 <sup>nd</sup> Class Township	Borough
Total Square Miles	-.0458*		-.2071*	.1804***	
Population Density	.1492***				
* = p<.05; ** = p<.01; *** = p<.001					

In addition to a community's physical and social characteristics, the economic conditions facing residents and governmental leaders may impact the rate of tax-exempt property in a municipality. A municipality's economic conditions include the total property value present within a community. There is a positive, weak, statistically significant relationship between the total value of all property within a municipality and the percentage of tax-exempt property.

Table 11: Pearson Correlation: Total Property Value and Percentage of Tax-Exempt Property					
	Overall	3 <sup>rd</sup> Class City	1 <sup>st</sup> Class Township	2 <sup>nd</sup> Class Township	Borough
Property Value	.0439*				.1356***
* = p<.05; ** = p<.01; *** = p<.001					

A second indicator of economic conditions is the rate of housing cost-burdened renters in a municipality. A household is considered cost-burdened if it spends more than 30% of its income on housing and housing-related expenses. There is a negative, weak, statistically significant relationship between the percentage of renters within a municipality that are not cost-burdened and the percentage of tax-exempt property within that community.

Table 12: Pearson Correlation: Renters Not Cost Burdened and Percentage of Tax-Exempt Property					
	Overall	3 <sup>rd</sup> Class City	1 <sup>st</sup> Class Township	2 <sup>nd</sup> Class Township	Borough
Renters Not Cost Burdened	-.0920***				-.0881**
* = p<.05; ** = p<.01; *** = p<.001					

An indicator of cost-burdened households includes the median household income within a municipality and the per capita household income. The median household income and per capita income have a negative, weak-to-moderate, statistically significant impact on the percentage of tax-exempt property within a municipality.

Table 13: Pearson Correlation: Household Income and Percentage of Tax-Exempt Property					
	Overall	3 <sup>rd</sup> Class City	1 <sup>st</sup> Class Township	2 <sup>nd</sup> Class Township	Borough
Median Household Income	-.2357***	-.5355***	-.2220*	-.1273***	-.2382***
Per Capita Income	-.1973***	-.4800***		-.1257***	-.2018***
* = p<.05; ** = p<.01; *** = p<.001					

*Structure of Government*

State-level laws codified concerning municipal government and structures are difficult to amend; as such, the structure of municipal governments is most effectively changed by adopting a home rule charter. While there are numerous effects of adopting home rule, many municipalities move toward home rule for the municipal tax flexibility afforded under the new form of government. All types of municipalities in Pennsylvania have adopted home rule charters. On average, 28% of the total property value in home-rule municipalities is tax-exempt, compared to 16.5% in non-home-rule municipalities. Following a t-test, there is a statistically significant difference between home-rule and non-home-rule municipalities; these differences hold true in all municipality types.

There is a positive, weak, statistically significant correlation between a municipality's adoption of a home rule charter and the percentage of tax-exempt property within the community.

Table 14: Means Squared Contingency Correlation: Home Rule Municipality and Percentage of Tax-Exempt Property					
	Overall	3 <sup>rd</sup> Class City	1 <sup>st</sup> Class Township	2 <sup>nd</sup> Class Township	Borough
Home Rule	.1569***				.1009**
* = p<.05; ** = p<.01; *** = p<.001					

*Policy Choices*

Related to home rule, the public policy choices a municipal government adopts may impact the percentage of tax-exempt property within its borders. When considering the overall property tax rate adopted by a municipality (general purpose or special purpose, but excluding property taxes levied by the local school district), there is a positive, statistically significant correlation between the millage rate and the percentage of tax-exempt property. While the

relationship is weak overall and limited to boroughs only, the strength of the relationship grows to a moderate level when considering only first-class townships.

Table 15: Pearson Correlation: Municipal Levied Property Tax Millage Rate and Percentage of Tax-Exempt Property					
	Overall	3 <sup>rd</sup> Class City	1 <sup>st</sup> Class Township	2 <sup>nd</sup> Class Township	Borough
Millage Rate	.2213***		.4449***		.1716***
* = p<.05; ** = p<.01; *** = p<.001					

In addition to tax rate decisions, municipal governments may also codify zoning ordinances to provide oversight and limitations on development activities within a community. There is a positive, weak, statistically significant relationship between municipalities that have adopted zoning ordinances and those that have not.

Table 16: Means Squared Contingency Correlation: Zoning Ordinance and Percentage of Tax-Exempt Property					
	Overall	3 <sup>rd</sup> Class City	1 <sup>st</sup> Class Township	2 <sup>nd</sup> Class Township	Borough
Zoning Ordinance Adopted	.0840***				.0791***
* = p<.05; ** = p<.01; *** = p<.001					

Complementing a zoning ordinance is a municipality’s use of a comprehensive plan to convey a community's overarching community and economic development initiatives and outline the future processes and procedures to meet the community’s goals. A positive, weak, statistically significant correlation exists between adopting a municipal comprehensive plan and the percentage of tax-exempt property within a community.

Table 17: Means Squared Contingency Correlation: Comprehensive Plan Present and Percentage of Tax-Exempt Property					
	Overall	3 <sup>rd</sup> Class City	1 <sup>st</sup> Class Township	2 <sup>nd</sup> Class Township	Borough
Comprehensive Plan	.0586*				.0982**
* = p<.05; ** = p<.01; *** = p<.001					



*Municipal Administrative Practices*

While formulating and codifying policy decisions is an essential function of local governments, how these decisions are implemented significantly impacts the outcomes of these decisions. As a result, the administrative practices of a municipality are related to the percentage of tax-exempt property within a community’s geographic boundaries. While an individual municipality (less Philadelphia) does not have the power to implement a reassessment of property, the time difference between the most recent property assessment may have an impact on the percentage of tax-exempt property within a municipality. While there was no overall correlation between a County’s common level ratio (CLR) and the percentage of tax-exempt property, there was a negative, weak, statistically significant relationship when limiting the analysis to boroughs only.

Table 18: Pearson Correlation: County Common Level Ratio and Percentage of Tax-Exempt Property					
	Overall	3 <sup>rd</sup> Class City	1 <sup>st</sup> Class Township	2 <sup>nd</sup> Class Township	Borough
County CLR					-.0888**
* = p<.05; ** = p<.01; *** = p<.001					

Related to a municipality's policy choices, the presence of a zoning board to oversee the implementation of a zoning ordinance has a positive, weak, statistically significant relationship with the percentage of tax-exempt properties when limiting the analysis to only communities with a codified zoning ordinance.

Table 19: Means Squared Contingency Correlation: Presence of Zoning Hearing Board and Percentage of Tax-Exempt Property					
	Overall	3 <sup>rd</sup> Class City	1 <sup>st</sup> Class Township	2 <sup>nd</sup> Class Township	Borough
Zoning Hearing Board	.0840***				.0846**
* = p<.05; ** = p<.01; *** = p<.001					

Finally, for any governmental entity to be successful, it must have sufficient staff to execute and implement policy decisions. As a result, the total number of full-time employees employed by a municipal government has a positive, weak, statistically significant relationship with the percentage of tax-exempt property.

Table 20: Pearson Correlation: Number of Full-Time Employees and Percentage of Tax-Exempt Property					
	Overall	3 <sup>rd</sup> Class City	1 <sup>st</sup> Class Township	2 <sup>nd</sup> Class Township	Borough
Number of FTEs	.0393*				.1443***
* = p<.05; ** = p<.01; *** = p<.001					

### Statistical Analysis

In addition to understanding the status of tax-exempt properties in municipalities throughout Pennsylvania, this analysis attempts to understand some of the factors that may influence the rate of tax exemption. To complete this analysis, fractional logistic regressions with multiple specifications were executed. A fractional logit model was used as the percentage of tax-exempt properties in any municipality is naturally occurring between 0-100%. Unlike standard linear modeling, the fractional logit ensures that all predicted values remain within the constraints of 0-1. Additionally, the fractional logit model reflects the real and meaningful observations of 0% or 100% of property value within a municipality being tax-exempt; this is not a reflection of censoring of the data but rather the actual representation of outcomes.

Overall Model

The first fractional logit regression model includes all specifications available within the dataset. All policy choices and two out of six administrative practices were omitted from the model under the limitation of “Third Class Cities”; 98% of third-class cities have these policies or procedures present, creating collinearity within the model. For “First Class Townships,” the policy choices of a codified zoning ordinance and a uniform construction code, as well as the administrative practices of a planning commission, zoning hearing board, and uniform construction code inspector, were omitted as over 80% of municipalities had these policies or procedures present; the presence of these variables created collinearity within the model.

Table 21: Fractional Logit Model All Specifications to Model Rate of Tax-Exempt Property					
	Overall (R <sup>2</sup> =4.64) (N=2,520)	3 <sup>rd</sup> Class City (R <sup>2</sup> =4.32) (N=53)	1 <sup>st</sup> Class Township (R <sup>2</sup> =7.07) (N=104)	2 <sup>nd</sup> Class Township (R <sup>2</sup> =5.18) (N=1,424)	Borough (R <sup>2</sup> =5.04) (N=935)
Demographic Characteristics					
Population in 2022		.00003*			
Market Value of Taxed Property	-3.33e-10***		-4.12e-10***	-4.18e-10***	-1.19e-09***
Total Market Value of All Property	2.65e-10***		3.32e-10***	3.69e-10***	8.52e-10***
Total Square Miles of Municipality	.0007**			.0013***	.0013***
Population Density of Municipality					
Percentage of Pop. Identifying as Male					
Percentage of Population Under the Age of 18					
Percent of Population Identifying as White, Non-Hispanic				-.9440*	-.1080**
Total Number of Households in Municipality	-.00004*	-.00009*			
Total Number of Families in Municipality	.0001***	-.0001*			
Percentage of Households Identified as Married with Children		1.7573*			
Average Number of People per Household	-.0638***	-.4911*			
Percentage of Population with at least a High School Diploma	-.1027**				
Percentage of Population Identified as Having a Disability		1.4890*			
Total Rate of Poverty in Municipality	.2716***	1.7419**			

Total Rate of Childhood Poverty in Municipality	-.0649*	-.7196**			
Median Household Income in Municipality					
Per Capita Income	.0000**			-.00002**	-.0000**
Total Number of Housing Units	-.00003***	.00006**		-1.3497**	-.00004***
Labor Force Participation Rate	-.2674***	.0836*	-.2969*	-.0003***	-.1543**
Percentage of Renters Not Cost Burdened					
Municipality is Rural (Not Urban)	-.0300***	OMITTED	-.1003***	-.1900*	-.0217*
Type of Municipality	.0220***	OMITTED	OMITTED	OMITTED	OMITTED
Structure of Government					
Municipality is Home Rule	.0262*				
Policy Choices					
Adopted a Comprehensive Plan		OMITTED			
Codified a Zoning Ordinance		OMITTED	OMITTED		
Codified Uniform Construction Code		OMITTED	OMITTED		
Municipal Administrative Practices					
County Common Level Ratio					
Number of Full-Time Municipal Employees	.0004***				
Number of Part-Time Municipal Employees					
Has a Planning Commission	-.0169*	OMITTED	OMITTED	-.2206*	-.0272*
Has a Zoning Hearing Board	.0394*	OMITTED	OMITTED		
Has a Uniform Construction Code Inspector			OMITTED		
* = p<.05; ** = p<.01; *** = p<.001					

Under all specifications model, the labor force participation rate was the only factor that had a marginal effect regardless of the municipal type. In all but third-class cities, an increase in the labor force participation rate reduces the overall proportional distribution of the value of tax-exempt properties.

Following previous factors, the total market value of the taxed property and the total market value of both taxed and tax-exempt property have statistically significant effects on the percentage of tax-exempt properties in the overall model, and the limitations of first-class townships, second-class townships, and boroughs; the exclusion of third class cities from statistically significant margin effects is most likely the result of a high density of nonprofit and

tax-exempt organizations that reside within these communities, regardless of usage by individuals living outside of the immediate geographic area. Moreover, while the margin effect is not meaningful at a unit of measure of \$1, the effects become meaningful when increasing the unit of analysis to \$1,000,000. Therefore, as the total value of taxed properties increases, the proportional distribution of tax-exempt properties decreases. Additionally, as the total value of both taxed and tax-exempt properties increases within a municipality, the proportional distribution of tax-exempt properties increases.

	Overall (R <sup>2</sup> =4.64) (N=2,520)	3 <sup>rd</sup> Class City (R <sup>2</sup> =4.32) (N=53)	1 <sup>st</sup> Class Township (R <sup>2</sup> =7.07) (N=104)	2 <sup>nd</sup> Class Township (R <sup>2</sup> =5.18) (N=1,424)	Borough (R <sup>2</sup> =5.04) (N=935)
Market Value of Taxed Property	-.0003***		-.0004***	-.0004***	-.0012***
Total Market Value of All Property	.0003***		.0003***	.0004***	.0009***

\* = p<.05; \*\* = p<.01; \*\*\* = p<.001

Similarly, this variable was omitted from the third-class city model because cities are inherently not rural or suburban. As such, classifying a municipality as “rural” reduces the overall proportional distribution of the value of tax-exempt properties.

Unlike the previous marginal effects, the total number of housing units yields a statistically significant marginal effect on the proportional distribution of tax-exempt property in all municipality types except first-class townships. Moreover, only third-class cities yield a positive effect in the overall model and limiting models for second-class townships and boroughs; as the total number of housing units increases, the proportional distribution of tax-exempt property decreases. The number of housing units has a significant effect on second-class townships where an increase of one housing unit yields a marginal effect of 1.3497% decrease in the proportional distribution of tax-exempt properties.

Finally, even with the elimination of collinear variables, third-class cities return the largest amount of statistically significant marginal effects. While many of these effects align with the overall model, four variables provide significant effects. In third-class cities, as the percentage of households identified as married with children increases by 1%, the proportional distribution of tax-exempt property increases by over 1.75%. Similarly, as the poverty rate in a third-class city increases by 1%, the proportional distribution of tax-exempt property increases by almost 1.75%. Finally, as the percentage of the population within a third-class city is identified as a person with disabilities, the proportional distribution of tax-exempt property increases by almost 1.50%.

Finally, in addition to the regression analysis, an ANOVA test for independence was executed to determine a statistically significant difference ( $F=36.20$ ) between the proportional distribution of tax-exempt property based on municipal type.

#### *Overall Model – Limited to Home Rule Municipalities*

Municipalities often tout home rule as a mechanism to increase tax flexibility and reduce the property tax liability placed on residents<sup>1</sup>. While the presence of a home rule charter yields a statistically significant marginal effect in the general model, this should not be construed as causation. It is unclear whether municipalities seeking to pursue a home rule charter experienced financial difficulties or policy concerns regarding property taxes due to the proportional distribution of tax-exempt properties or if there is simply a correlative relationship. Regardless of the impetus, home rule municipalities have a greater proportional distribution of tax-exempt properties than non-home rule municipalities. However, non-home rule municipalities have a larger range of proportional distributions of tax-exempt property. A Mann-Whitney U Test was

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<sup>1</sup> The Pennsylvania Economy League, Central PA, LLC is a frequent consultant for municipalities attempting to alter their government structure and adopt a home rule charter.

performed to assess and compare the differences between home rule versus non-home rule municipalities. Following the test, there was a statistically significant variance ( $z=-7.898$ ) between home rule and non-home rule municipalities when considering the proportional distribution of tax-exempt property.

	Average Rate	Minimum Rate	Maximum Rate	Total Municipalities
Home Rule	28.01%	2.08%	69.21%	102
Non-Home Rule	16.46	0%	96.39%	2,458

When limiting the assessment to only third-class cities, home rule municipalities again have a higher proportional distribution of tax-exempt property. Unlike the general assessment, there was no statistical difference identified following a Mann-Whitney U test ( $z=-.845$ )

	Average Rate	Minimum Rate	Maximum Rate	Total Municipalities
Home Rule	38.42%	7.02%	69.21%	35
Non-Home Rule	35.68%	16.68%	49.76%	18

When limiting the assessment to only first-class townships, home rule municipalities again have a higher proportional distribution of tax-exempt property. Like third-class cities, first-class townships demonstrated no statistically significant difference between home rule and non-home rule municipalities ( $z=-1.953$ ;  $p<.0505$ )

	Average Rate	Minimum Rate	Maximum Rate	Total Municipalities
Home Rule	17.62%	6.03%	25.70%	12
Non-Home Rule	16.20%	2.76%	77.54%	92

When limiting the assessment to only second-class townships, home rule municipalities again have a higher proportional distribution of tax-exempt property. Unlike third-class cities

and first-class townships, second-class townships demonstrated a statistically significant difference between home rule and non-home rule municipalities ( $z=-2.359$ )

	Average Rate	Minimum Rate	Maximum Rate	Total Municipalities
Home Rule	17.08%	2.08%	47.62%	25
Non-Home Rule	14.29%	.05%	93.56%	1,149

When limiting the assessment to only boroughs, home rule municipalities again have a higher proportional distribution of tax-exempt property. Once again, unlike third-class cities and first-class townships, boroughs demonstrated a statistically significant difference between home rule and non-home rule municipalities ( $z=-2.841$ )

	Average Rate	Minimum Rate	Maximum Rate	Total Municipalities
Home Rule	28.16%	2.72%	46.66%	27
Non-Home Rule	19.40%	0.00%	96.39%	928

In addition to descriptive statistics regarding home rule municipalities, a specified model limited only to home rule municipalities is included as a method to understand the implications of home rule on the proportional distribution of tax-exempt property. Similar to specifications for municipal types within the overall model, binary variables that have a rate of presence over 90% have been excluded. The following provides the margin effects for home rule municipalities and non-home rule municipalities.

	Home Rule ( $R^2=9.00$ ) ( $N=102$ )	Non-Home Rule ( $R^2=5.09$ ) ( $N=2,418$ )
Demographic Characteristics		
Population in 2022		
Market Value of Taxed Property	-1.09e-09***	-6.28e-10 ***
Total Market Value of All Property	8.08e-10***	5.31e-10***



Total Square Miles of Municipality		.0004*
Population Density of Municipality		
Percentage of Pop. Identifying as Male	-3.6732**	
Percentage of Population Under the Age of 18		
Percent of Population Identifying as White, Non-Hispanic	-.5671*	
Total Number of Households in Municipality	-.0003*	
Total Number of Families in Municipality	.0003**	
Percentage of Households Identified as Married with Children		
Average Number of People per Household		-.0524***
Percentage of Population with at least a High School Diploma		-.0772*
Percentage of Population Identified as Having a Disability		
Total Rate of Poverty in Municipality	3.1083*	.1875**
Total Rate of Childhood Poverty in Municipality	-2.1025*	
Median Household Income in Municipality		
Per Capita Income		-1.76e-06**
Total Number of Housing Units		-.00002**
Labor Force Participation Rate	-2.2753*	-.1873***
Percentage of Renters Not Cost Burdened	1.0409**	
Municipality is Rural (Not Urban)	-.8501*	-.0157*
Type of Municipality		.0224***
Municipal Administrative Practices		
County Common Level Ratio		
Number of Full-Time Municipal Employees	.0009**	
Number of Part-Time Municipal Employees	.0047**	
Has a Uniform Construction Code Inspector	.3793**	
* = p<.05; ** = p<.01; *** = p<.001		

Similar to the overall model, the total market value of the taxed property and the total market value of both taxed and tax-exempt property have statistically significant effects on the percentage of tax-exempt properties in the home rule models. While the margin effect is not meaningful at a unit of measure of \$1, the effects become meaningful when increasing the unit of analysis to \$1,000,000. Therefore, as the total value of taxed properties increases, the proportional distribution of tax-exempt properties decreases. Additionally, as the total value of both taxed and tax-exempt properties increases within a municipality, the proportional distribution of tax-exempt properties increases.

Table 29: Fractional Logit Model Model Rate of Tax-Exempt Property – Unit of Analysis = \$1,000,000		
	Home Rule (R <sup>2</sup> =9.00) (N=102)	Non-Home Rule (R <sup>2</sup> =5.09) (N=2,418)
Market Value of Taxed Property	-.0012***	-.0006***
Total Market Value of All Property	.0008***	.0005***
* = p<.05; ** = p<.01; *** = p<.001		

In addition to the monetary value of property, the per capita income of residents in municipalities had a statistically significant marginal effect in non-home rule municipalities. Similar to the value of the property, the margin effect is not meaningful at a unit of measure of \$1; however, when the unit of analysis is increased to \$1,000, the effect becomes significant.

Table 30: Fractional Logit Model Model Rate of Tax-Exempt Property – Unit of Analysis = \$1,000		
	Home Rule (R <sup>2</sup> =9.00) (N=102)	Non-Home Rule (R <sup>2</sup> =5.09) (N=2,418)
Per Capita Income		-.0018**
* = p<.05; ** = p<.01; *** = p<.001		

While some variables provide a statistically significant effect, there are limited policy options to address these areas. For example, as the percentage of a municipal population identifying as male increases, the proportional distribution of tax-exempt property decreases. Similarly, as the childhood poverty rate increases in home rule municipalities, the proportional distribution of tax-exempt property decreases. This should not be equated to a decision that increasing childhood poverty is a valid or useful policy solution to the distribution of tax-exempt property in a municipality. Instead, it leads to additional questions for further and future research.

The marginal effects on the proportional distribution of tax-exempt property change as the level of analysis shifts. As such, it is important to understand what impacts specific factors

have on municipalities based on governmental structures. A table comparing these models is provided in Appendix 4.

### **Discussion and Potential Policy Choices**

In most models, the demographics of a municipality have a significant marginal effect on the proportional distribution of tax-exempt property. The landscape of a municipality—specifically the rural nature—decreases the overall proportion. This is most likely the result of the diminished return on investment for a tax-exempt organization to be housed in a rural location. Moreover, a community's social and economic demographics have some effect on the tax-exempt nature of a municipality. As residents require more services, tax-exempt organizations may purchase property within a municipality to better meet community needs. For example, as the labor force participation rate increases, the proportional distribution of tax-exempt property decreases, likely due to a decreased need for job training services or social service support.

In addition to demographics, the marginal effect regarding the decision of a municipal government to pursue and adopt a home rule charter poses significant policy implications. Municipalities often seek home rule as a mechanism to confront tax limitations set forth by the state government, including maximum millage rates regarding property taxes. Many municipalities may be struggling financially, and due to codified tax limitations, they do not have a pathway to increase municipal revenue while also maintaining municipality services. However, once a municipality adopts home rule, they are no longer bound by those limitations; aside from municipalities being able to levy property taxes at a rate higher than previously available, they can also levy other taxes, such as the earned income tax at higher levels. This may serve as a

community and economic development initiative as overall property taxes may decrease in place of other tax revenue streams. This is a line of research that warrants additional attention.

Under the general model and models limited to municipal types, available policy choices did not have a statistically significant effect on the proportional distribution of tax-exempt properties. While it may be assumed that zoning ordinances would impact the physical availability of a business or tax-exempt organization to purchase property and pursue business activities in an area, the presence or lack of presence of codified rules around where businesses can practice had no statistical effect. Similarly, the execution of a comprehensive plan or the adoption of a uniform construction code did not have a statistically significant marginal effect.

Conversely, the total number of individuals employed by a municipality, full-time or part-time, has a statistically significant marginal effect under some specifications. Rather than gauging the power of governmental employees, the total number of employees may serve as a proxy variable for the breadth of services offered by a municipality. As the total number of employees increases, more services—either police, fire, or social—may be required by residents in a municipality. While these needs are met through governmental means, there is likely a degree of a spillover effect requiring non-governmental entities to meet community needs.

Moreover, while the presence of a zoning ordinance does not have a statistically significant effect, the presence of a zoning hearing board has a statistically significant effect under the general model. The presence of a zoning hearing board presents a marginal effect of a .0394% increase in the proportional distribution of tax-exempt properties. This effect can be posited that the presence of a board may actually inhibit for-profit business enterprises from locating in a municipality or, conversely, that zoning boards may have a lowered threshold of approval for tax-exempt organizations.

Regardless of the reasoning, the large proportional distribution of tax-exempt properties throughout Pennsylvania poses a financial challenge. While the theoretical implications of tax-exempt properties on municipal revenue appear to be clear, the mechanisms to address these concerns are not. According to Cherry,

“Under current property tax regimes in this country, charitable nonprofit organizations are treated differently not only from state to state and city to city, but also from municipality to municipality within each state” (2017).

For example, some municipalities may require payments in lieu of taxes, also known as PILOTS, while others do not. As such, a variety of policy solutions have been proposed, including expanding PILOT programs, imposing service fees on all properties, and shifting toward land value taxation.

#### *Payment in Lieu of Taxes*

Payment in lieu of taxes, or PILOTS, is a voluntary payment made by tax-exempt organizations to local governments or other taxing authorities. These payments are a mechanism for tax-exempt institutions to offset the financial burden on their host municipality for the services they may use. In a review of “almost 100 major public and private universities and hospitals in 48 host municipalities”, only five municipalities received PILOTS from tax-exempt organizations. While these payments range from \$68,000 to \$868,800, the overwhelming majority (two-thirds) were paid to local school districts rather than the municipal government (Legislative Budget and Finance Committee, 2009). However, no members of the Pennsylvania State System of Higher Education provided PILOTs to host municipalities (Legislative Budget and Finance Committee, 2009). Between 2008 and 2012, the Lincoln Institute of Land Policy estimated that 18 municipalities received PILOTs, for a total of \$7,476,346 (Langley, Kenyon, &

Bailin, 2012a). These PILOTs ranged from \$100 to \$1,380,000 (Langley, Kenyon, & Bailin, 2012c). While complete data is unavailable, these PILOTs were paid by at least 133 nonprofit organizations (Langley, Kenyon, & Bailin, 2012a).

The percentage of the relevant tax liability ranged from .11% in Philadelphia to 9.18% in the City of Lancaster (Langley, Kenyon, & Bailin, 2012a). On average, these 18 municipalities received 1.99% of the relevant property tax liability. While the Legislative Budget and Finance Office estimates that PILOTs mainly benefit school districts, only \$1,623,560 in PILOTs were paid to three school districts, with an average percentage of total property tax liability equal to 1.27% (range of .17% to 2.68%) (Legislative Budget and Finance Committee, 2009; Langley, Kenyon, & Bailin, 2012a).

Triangulating the potential PILOTs that municipalities could receive is difficult. There is no set formula or current enforcement mechanisms to track liabilities. However, if the Commonwealth mandated PILOTs and utilized the minimum, average, and maximum PILOT rates as estimated by the Lincoln Institute for Land Policy, the total PILOTs paid over a four-year period would be between \$1 and \$82 million, with an average rate of approximately \$18 million.

#### *Imposition of Service Fees*

A second method to decrease the overall property tax liability resulting from tax-exempt properties in Pennsylvania is the imposition of service fees. Essential services, specifically police, are provided to all individuals within a municipality, regardless of prior or future payment. While many states would include fire as an essential service provided by a municipality, the overwhelming volunteer nature of fire services in Pennsylvania renders this service a moot point regarding budgetary requirements for many municipalities. Nevertheless,

police services encompass an overwhelming portion of many municipal budgets. While the Legislative Budget and Finance Office points specifically to cities, the Pennsylvania Economy League's extensive work with boroughs and townships reflects these concerns (Legislative Budget and Finance Office, 2009). Anecdotally, municipalities that host a large public university have expressed personal grievances to this author concerning students frequently pulling fire alarms at night. The municipal is financially responsible for ensuring the safety of students, even though the public university does not contribute financially to the municipality's public safety budget. However, many large tax-exempt organizations attempt to mitigate this public cost by employing police and campus security officials for their own use (Legislative Budget and Finance Office, 2009). Similarly, while many tax-exempt organizations rely upon a municipality's water and sewer systems, some larger tax-exempt organizations will operate and manage a private system that alleviates the public liability (Legislative Budget and Finance Office, 2009).

According to the Legislative Budget and Finance Office, 41 out of 100 surveyed tax-exempt organizations in 40 out of 48 surveyed municipalities had their own independently hired public safety officers (Legislative Budget and Finance Office, 2009). Aside from public safety, 61 out of the 100 survey organizations, encompassing 47 of the 48 municipalities, "paid fees for all relevant services, including sewer and water, inspections, and other locally established fees" (Legislative Budget and Finance Office, 2009).

When considering police only, imposing a police service fee would provide significant tax revenue for municipalities throughout Pennsylvania. In 2014, it was estimated that the total cost of all local police forces cost municipalities \$2 billion (Pennsylvania Economy League, 2017). Moreover, it was estimated that police budgets encompass 33%-78% of a municipality's

total budget (Pennsylvania Economy League, 2017). Therefore, if the Commonwealth of Pennsylvania were to impose a mandatory police fee on tax-exempt organizations, equal to between 33%-78% of the total property tax liability, municipalities would reduce their overall revenue loss by between \$4,553,201.50 - \$10,762,111.63.

### *Land Value Taxation*

Land value taxation is an alternative methodology to gauge the tax liability of property. Instead of assessing property based on the totality of development, land value taxation would only levy a tax based on the land itself. It promotes taxation regardless of use and would tax both tax-exempt and tax-eligible property equally.

This has been applied sporadically throughout the Commonwealth of Pennsylvania. While the Commonwealth considers these PILOTS, the Pennsylvania Legislature has “authorized the Department of Conservation and Natural Resources, the Pennsylvania Game Commission, and the Pennsylvania Fish and Game Commission” to submit PILOTS to host municipalities for tax-exempt properties that they own (Legislative Budget and Finance Committee, 2009). As of 2009, these payments equated to \$1.20 per acre (Legislative Budget and Finance Committee, 2009). Over a multi-year period ending in 2008, these agencies paid municipalities approximately \$8.4 million in PILOTs (Legislative Budget and Finance Committee, 2009).

Some municipalities have expressed concern about this methodology during the course of this research. More specifically, Tunkhannock Borough in Wyoming County has extensive open space that tax-exempt institutions own. It is estimated that at least 60% (15,018) of the total acreage (24,704) in the borough is tax-exempt (Tunkhannock Borough, 2024). In 2023, the borough received over \$12,000 from State entities (Tunkhannock Borough, 2024).



However, these are not fully capturing the value of the land. Instead, if a land value tax were implemented in Tunkhannock Borough, where the tax-exempt property value is estimated to be \$11,654,760, the total land value tax revenue would be \$138,857.12. Overall, if estimating land value alone to be one-fifth of the total property value and an estimated land tax valuation rate of \$1.20 per \$100 of property, municipalities across Pennsylvania would receive an estimated \$339,152,921 from tax-exempt properties alone.

### *Conclusion*

Tax-exempt organizations and institutions are a necessary part of all communities and play a vital function in ensuring overall well-being. However, in some communities, the tax-exempt property rate inhibits a municipality's financial outlook. While a municipality's demographic and physical makeup impacts a community's overall rate of tax exemption, policy choices, and public administration impart a statistically significant margin effect. Therefore, to ensure the long-term viability and sustainability of municipalities, steps may need to be taken to ensure an equal burden of municipal revenue liabilities.

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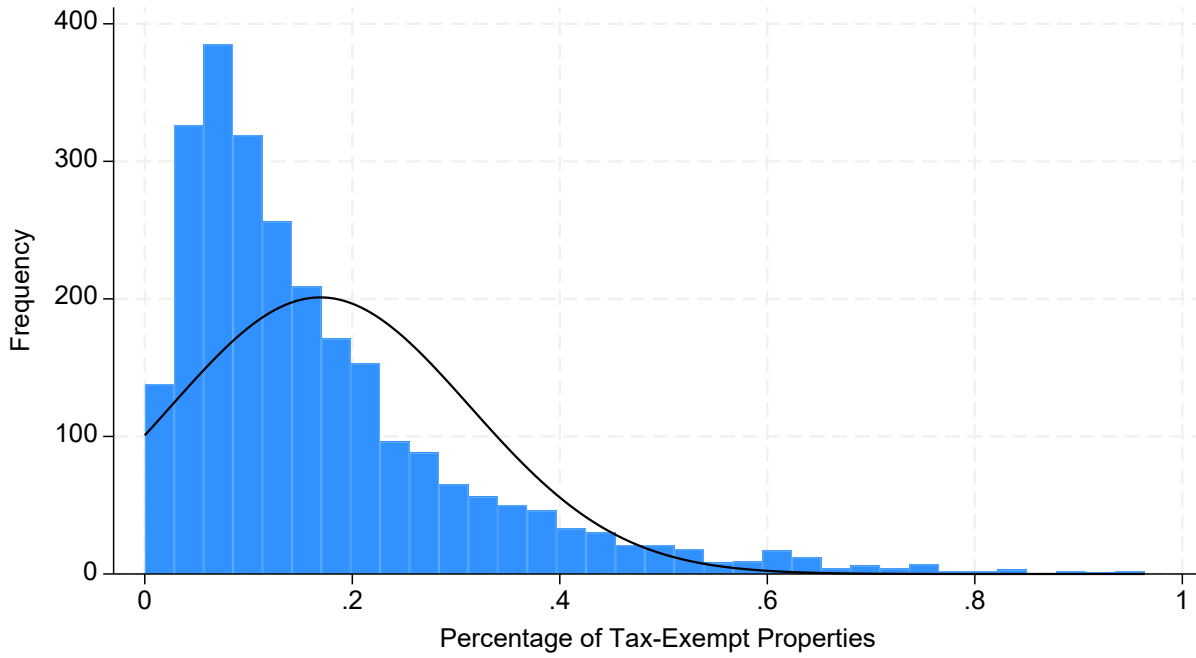
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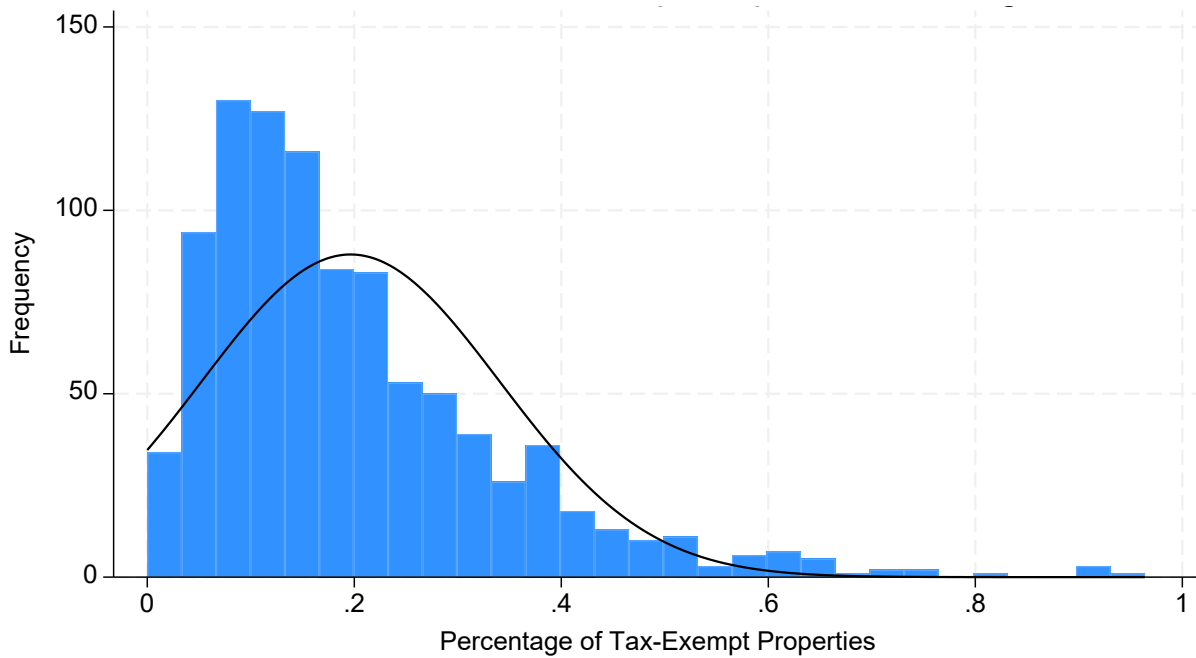
Tunkhannock Borough (2024). *Open space chart*.

Appendix 1

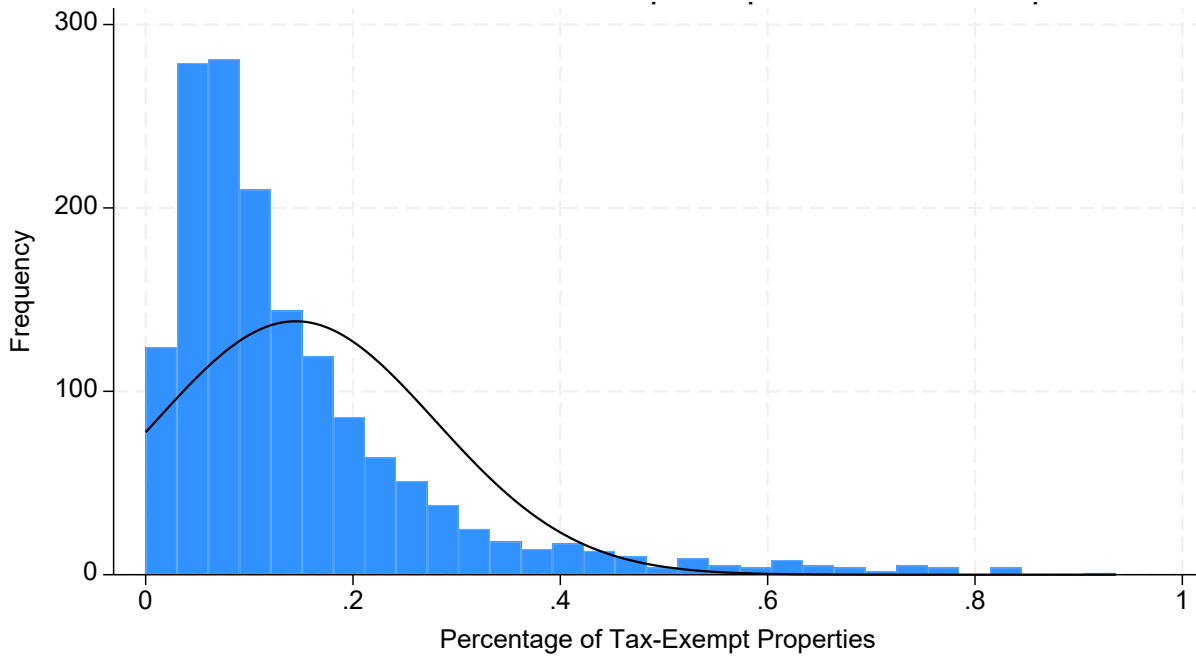
**Proportional Distribution of Tax-Exempt Property by Total Market Value  
All Municipalities**



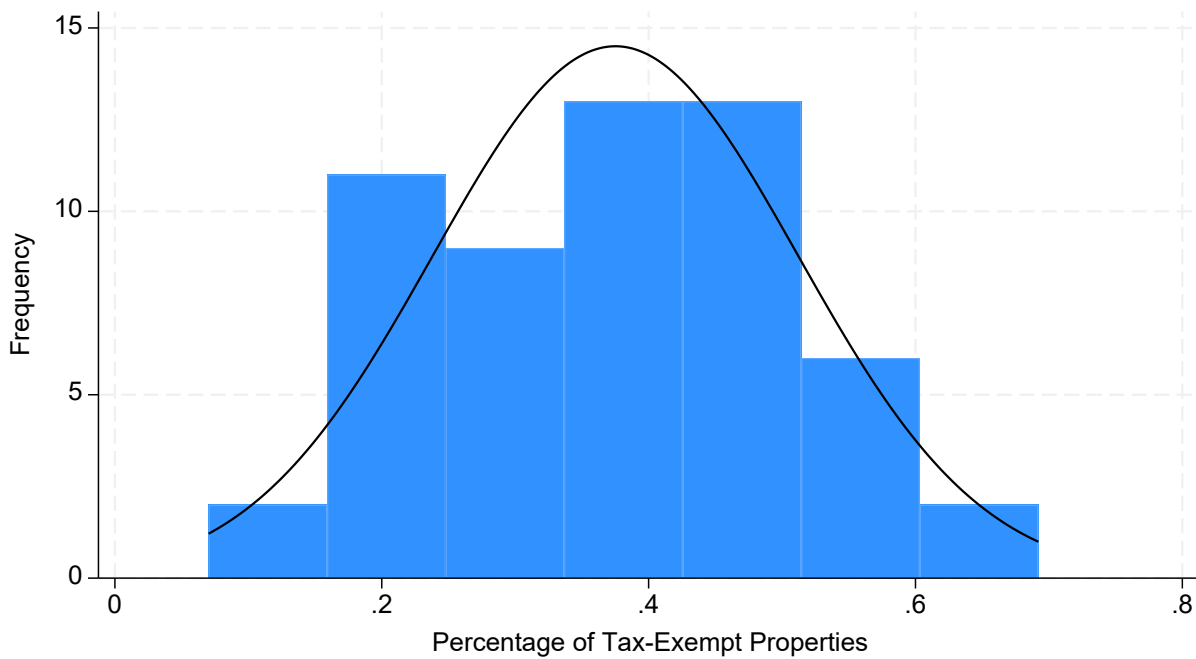
**Proportional Distribution of Tax-Exempt Property by Total Market Value  
Boroughs Only**



### Proportional Distribution of Tax-Exempt Property by Total Market Value Townships Only



### Proportional Distribution of Tax-Exempt Property by Total Market Value Cities Only



Appendix 2

**Proportional Distribution of Tax-Exempt Property by Total Market Value  
By County**

	Average Rate	Minimum Rate	Maximum Rate
Adams	13%	3%	43%
Allegheny	19%	0%	68%
Armstrong	7%	1%	34%
Beaver	16%	1%	53%
Bedford	14%	2%	40%
Berks	16%	1%	69%
Blair	16%	5%	32%
Bradford	22%	2%	63%
Bucks	16%	3%	39%
Butler	16%	0%	65%
Cambria	26%	1%	92%
Cameron	18%	1%	35%
Carbon	17%	5%	34%
Centre	23%	3%	61%
Chester	14%	1%	44%
Clarion	18%	1%	80%
Clearfield	14%	3%	55%
Clinton	33%	3%	77%
Columbia	18%	1%	96%
Crawford	20%	2%	69%
Cumberland	15%	3%	54%
Dauphin	21%	3%	76%
Delaware	12%	3%	44%
Elk	25%	7%	48%
Erie	19%	2%	66%
Fayette	19%	4%	71%
Forest	19%	3%	68%
Franklin	21%	4%	63%
Fulton	9%	2%	48%
Greene	23%	1%	58%
Huntingdon	15%	2%	75%
Indiana	12%	1%	50%
Jefferson	13%	1%	40%
Juniata	12%	2%	34%
Lackawanna	14%	2%	56%
Lancaster	14%	5%	52%
Lawrence	10%	0%	61%
Lebanon	19%	5%	82%
Lehigh	25%	5%	60%

Luzerne	13%	2%	37%
Lycoming	15%	1%	41%
McKean	35%	5%	84%
Mercer	16%	0%	61%
Mifflin	14%	4%	32%
Monroe	20%	7%	71%
Montgomery	16%	3%	46%
Montour	17%	2%	68%
Northampton	10%	2%	36%
Northumberland	19%	2%	78%
Perry	17%	4%	62%
Philadelphia	31%	31%	31%
Pike	10%	3%	26%
Potter	26%	2%	68%
Schuylkill	15%	2%	73%
Snyder	16%	3%	65%
Somerset	21%	3%	55%
Sullivan	25%	3%	44%
Susquehanna	13%	2%	74%
Tioga	26%	0%	94%
Union	19%	5%	51%
Venango	16%	0%	91%
Warren	10%	1%	37%
Washington	15%	0%	62%
Wayne	16%	1%	82%
Westmoreland	20%	2%	90%
Wyoming	12%	0%	43%
York	13%	1%	62%

Appendix 3

**Proportional Distribution of Tax-Exempt Property by Total Market Value  
By Population Bracket**

	Average Rate	Minimum Rate	Maximum Rate
Under 1,000	17%	0%	96%
Between 1,000-9,999	16%	0%	92%
Between 10,000 – 49,999	18%	3%	78%
Between 50,000 – 99,999	27%	6%	59%
Between 100,000 – 499,999	41%	33%	49%
Over 500,000 (Philadelphia only)	31%	31%	31%



Appendix 4

Fractional Logit Model - Comparing the Overall Model with Home Rule and Non-Home Rule Model			
	Overall (R <sup>2</sup> =4.64) (N=2,520)	Home Rule (R <sup>2</sup> =9.00) (N=102)	Non-Home Rule (R <sup>2</sup> =) (N=35)
Demographic Characteristics			
Population in 2022			
Market Value of Taxed Property	.0000***	-1.09e-09***	-6.28e-10 ***
Total Market Value of All Property	.0000***	8.08e-10***	5.31e-10***
Total Square Miles of Municipality	.0007**		.0004*
Population Density of Municipality			
Percentage of Pop. Identifying as Male		-3.6732**	
Percentage of Population Under the Age of 18			
Percent of Population Identifying as White, Non-Hispanic		-.5671*	
Total Number of Households in Municipality	-.00004*	-.0003*	
Total Number of Families in Municipality	.0001***	.0003**	
Percentage of Households Identified as Married with Children			
Average Number of People per Household	-.0638***		-.0524***
Percentage of Population with at least a High School Diploma	-.1027**		-.0772*
Percentage of Population Identified as Having a Disability			
Total Rate of Poverty in Municipality	.2716***	3.1083*	.1875**
Total Rate of Childhood Poverty in Municipality	-.0649*	-2.1025*	
Median Household Income in Municipality			
Per Capita Income	.0000**		-1.76e-06**
Total Number of Housing Units	-.00003***		-.00002**
Labor Force Participation Rate	-.2674***	-2.2753*	-.1873***
Percentage of Renters Not Cost Burdened		1.0409**	
Municipality is Rural (Not Urban)	-.0300***	-.8501*	-.0157*
Type of Municipality	.0220***		.0224***
Structure of Government			
Municipality is Home Rule	.0262*	OMITTED	OMITTED
Policy Choices			
Adopted a Comprehensive Plan		OMITTED	OMITTED
Codified a Zoning Ordinance		OMITTED	OMITTED
Codified Uniform Construction Code		OMITTED	OMITTED
Municipal Administrative Practices			
County Common Level Ratio			
Number of Full-Time Municipal Employees	.0004***	.0009**	
Number of Part-Time Municipal Employees		.0047**	
Has a Planning Commission	-.0169*	OMITTED	OMITTED
Has a Zoning Hearing Board	.0394*	OMITTED	OMITTED
Has a Uniform Construction Code Inspector		.3793**	

\* = p<.05; \*\* = p<.01; \*\*\* = p<.001