



**Pennsylvania Municipal League**  
President – Derek Slaughter, Mayor, City of Williamsport



**Pennsylvania State Association of Township Commissioners**  
President – Dennis R. Arthur, Commissioner, Tinicum Township

## **MEMO**

To: Members of the House Local Government Committee

From: Amy Sturges, Deputy Executive Director for Advocacy, PML and PSATC

Re: Support for House Bill 985

Date: May 13, 2025

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On behalf of the members of the PA Municipal League and PA State Association of Township Commissioners, I am writing in support of House Bill 985 – the Tax-exempt Property Municipal Assistance Act. This legislation would reimburse municipalities for the real property tax loss incurred by hosting tax-exempt properties. Reimbursement would come from the 18% Liquor Tax, commonly known as the Johnstown Flood Tax.

Tax-exempt status is granted at the federal and state level; however, the impact is felt locally. The League and PSATC have long supported legislation to address the tax-exempt burden placed on the residents and businesses created by a smaller tax base. The percentage of tax-exempt property within a municipality varies, but can be as high as 40, 50, even 75%.

The eligibility criteria in House Bill 985 will direct the distribution of revenue to municipalities that are most impacted by the amount and value of tax-exempt property. The criteria also look at median income as a consideration of the ability of residents to cover the cost of municipal services provided to tax-exempt entities through their own tax bills. Finally, the legislation caps the distribution allowing the reimbursement to stretch further.

As this bill comes before the House Local Government Committee tomorrow, we respectfully request an affirmative vote to move the bill to the full House.

Thank you for your consideration.