

February 27, 2015

**TO:**

*The Senate Local Government and Environmental Resources and Energy Committees*

*Hearing Scheduled for March 3, 2015*

(Testimony Concerning Pennsylvania's Impact Fee & Proposed Severance Tax)

Members of the Environmental Resources & Energy Committee:

Thank you for the opportunity to submit testimony concerning our interest in the *Act 13 Impact Fee* and the Proposed Severance Tax. When Act 13 Of 2012 was signed into law on Feb. 14, 2012, it was the first glimmer of hope for municipalities impacted by the natural gas industry. The hope was that municipalities would at last receive funding to help offset some of the impacts municipalities were experiencing as a result of the drilling and production of natural gas.

I have been a township supervisor in Wyalusing Township for over 35 years, and have never seen anything impact our township any more than the development of natural gas in and throughout our region. Of course, the immediate impact was what was happening to our road system. I am sure all of you know the story of roads being destroyed during the freeze-thaw time of year. Within a short time, most of the gas companies stepped up to the plate and helped repair the roads. In Wyalusing Township, Chesapeake Energy spent literally millions of dollars completing full-depth reclamation work, rebuilding the base where needed, chip sealing, and even paving on some roads where heavy traffic was going to be expected. With an annual working budget of approximately \$330,000, our township would never have been able to do the kind of work that Chesapeake did.

However, Chesapeake repaired or rebuilt only those roads that they were actually using for their drilling and production. Other roads were being impacted by support companies and pipeline work, and these roads, too, needed repair. Last year through the use of the impact fees, we were able to rebuild approximately 1.2 miles of road by contracting for a full-depth reclamation and chip sealing the surface. The cost of the project was over \$400,000. We expect the work to give us 10 years or more of service before we will need to make any more major repairs to this road.

Please understand that this was an actual example of rebuilding one of our roads that would not have been possible prior to the enactment of Act 13 of 2012. Also, this

same kind of project work has been completed in countless townships throughout the Marcellus Shale region.

While discussing road repair and general maintenance, keep in mind also that municipalities must have appropriate equipment for the work. Wyalusing Township has purchased through CoStars two new trucks with Impact Fee money. Again, given our budget, this would have been difficult or just plain not possible without borrowing funds to complete the purchases. And as before, many municipalities across the commonwealth have been able to purchase trucks, graders, rollers, etc. with the Impact Fee monies.

Those items that I have been talking about are items that relate to our road work. But the work of a township goes far beyond road work. Townships have been impacted in other areas as well. Because of the development that has come with the development of natural gas, we have found that our township lacks the necessary infrastructure of public water and sewer to accommodate attractive development. I am speaking of retail businesses, light manufacturing, residential, etc.

We are engaged in discussions and preliminary work with Wyalusing Borough to form a joint authority or to contract for sewer and water in parts of the township, especially along the Route 6 corridor and in the village of Camptown, PA. Without the Impact Fee money, we would not be able to move forward with improving our sewer and water infrastructure, and future economic development would not happen.

The truth is that our township is not so much different than other townships across the commonwealth. All of us have benefitted from the provisions of Act 13, and there would be devastating effects if the Impact Fee were to be taken away or reduced in favor of a Severance Tax. **It is imperative that that we retain the *Impact Fees* as provided for in Act 13 of 2012.**

Submitted By:

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