



Pennsylvania State Association of Boroughs

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To: All Members, PA House & PA Senate
From: Ed Troxell, Director of Government Affairs
Date: February 7, 2012
Re: Report of the Committee of Conference on House Bill 1950

Today on behalf of our Commonwealth's borough communities the Pennsylvania State Association of Boroughs (PSAB) contacts the entire Pennsylvania General Assembly with its perspectives regarding the Conference Committee report on HB1950. The membership of PSAB has for several years demonstrated its interests and concerns with the development of the Marcellus Shale in the form of numerous association resolutions. These official resolutions formally define how over 950+ borough communities are concerned with the impacts resulting from the expansion and development of this natural resource.

The need for a local impact fee on natural gas extraction is clear, and the Conference Committee report reflects this urgent need. Local officials across the Commonwealth have been advocating for the past three years for a dedicated tax or fee to help municipalities mitigate the impacts of the Marcellus Shale natural gas development. PSAB has always warned that without an impact fee or tax on natural gas development the costs would be borne by the local taxpayers.

PSAB applauds the Conference Committee on HB 1950 for providing our communities with a natural gas impact fee. It provides significant relief for communities that struggle with the harsh realities of natural gas development in small, rural communities. The new revenue will assist those on the "frontlines" of the Marcellus Shale play.

In addition to providing revenue to impacted communities, the Conference Committee report on HB 1950 also provides significant revenue to meet the growing needs of various infrastructure and environmental programs. PSAB supports the move to breathe new life into the H2O PA program, the Environmental Stewardship Fund, and funds dedicated for local bridge improvements. All of our communities in this Commonwealth should benefit from the development of Pennsylvania's vast natural resources.

We are encouraged with the inclusion of many new environmental protections in HB 1950. PSAB supports these provisions which will protect the water and natural resources of our communities. Ensuring that the development of the Marcellus Shale, and any other unconventional shale, will be done in a safe and responsible manner is a must.

PSAB was built on the bedrock principles of allowing the greatest amount of decision making should remain at the local level. Throughout the debate on HB 1950, PSAB has used the guiding principle of advocating for the maximum amount of local control of land use decisions on oil & gas development. We

stood adamantly opposed to a full and total preemption of all local ordinances regulating oil & gas development, as originally contained in HB 1950.

We view the Conference Committee report on HB 1950 as a step in the right direction away from the total preemption of all local ordinances on oil & gas operations. PSAB does not support the total preemption of local zoning ordinances. However, we believe the final report does allow for a limited amount of local zoning decisions. While the final report does not represent everything PSAB has advocated for, we believe it contains several important remedial benefits to our members.

In closing, PSAB wishes to thank Governor Corbett, Lt. Governor Cawley, and the leaders of the House & Senate who worked diligently on this bill. Moving forward PSAB stands committed to working with the General Assembly and Governor Corbett to ensure the responsible development of shale gas in our Commonwealth.