

TOWNSHIP OF LOWER MERION

Finance Committee

Issue Briefing

Topic: Real Estate Tax Credit for Firefighter/Ambulance Volunteers

Prepared By: Ernie B. McNeely, Township Manager

Date: September 28, 2017

I. Action To Be Considered By The Board:

Consider for recommendation to the Board of Commissioners authorizing the Township Secretary to advertise an ordinance for adoption amending Chapter 78, Fire Prevention providing tax relief to volunteer firefighters or emergency medical service who are actively serving a community.

II. Why This Issue Requires Board Consideration:

In accord with state enabling legislation the volunteer tax credit must be granted by ordinance and adoption of an ordinance requires Board action.

III. Current Policy Or Practice (If Applicable): N/A

IV. Other Relevant Background Information:

The Legislature late in 2016 passed a bill that allows municipalities to adopt ordinances providing tax relief to volunteer firefighters or emergency medical service who are actively serving a community. The bill allows a municipality to grant tax relief from municipal real estate tax or from earned income tax. Since Lower Merion does not levy an earned income tax the only relief the Board can consider is the real estate tax relief which is limited to a 20% Township tax reduction for active volunteer firefighters/ambulance personnel who reside in and own property in the Township. The Township Solicitor has prepared a draft ordinance providing for the proposed tax relief.

This will not affect a great number of our volunteer firefighters or ambulance service volunteers since many do not own property in the Township, however, it will serve as one more tool in the effort to recruit and retain volunteers who provide these important emergency services.

The ordinance dictates a process by which the credit is only extended to volunteers who accumulate enough points by responding to emergency calls, training and fulfilling other duties for the fire or ambulance company. The officers of the fire/ambulance company must certify which volunteers met that criteria during a year. Those volunteers may then apply for the tax

credit proving they have paid their real estate tax for the year and receive an 20% rebate of the tax paid.

V. Impact On Township Finances:

It will result in a small cost to the Township to offer this incentive to help preserve the volunteer fire/ambulance service system in the community. The actual cost will not be determined until it has been in place for year and it is verified which volunteers applied and met the criteria. Since the Township real estate tax rate is relatively low the average credit is expected to amount to only a few hundred dollars for each recipient plus only a few volunteers at each company are likely to meet all the criteria.

VI. Staff Recommendation:

Staff recommends that the Board of Commissioners authorize the Township Secretary to advertise an ordinance for adoption amending Chapter 78, Fire Prevention providing tax relief to volunteer firefighters or emergency medical service who are actively serving a community.