



YOUR TAX BILL EXPLAINED

MARCH 2024

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**THIS INSERT EXPLAINS HOW TO READ YOUR
ENCLOSED 2024 TAX BILL, WHICH INCLUDES:**

Monroe County..... 3.9773 mills
Middle Smithfield..... 1.75 mills
Fire & EMS..... 0.900 mills
Library..... 0.185914 mills

(School tax bill to come in August)

Approximately 73% of the residential properties in Middle Smithfield Township pay less than \$300 each year in municipal real estate taxes.

Approximately 95% of residential properties in Middle Smithfield Township pay less than \$500 each year in municipal real estate taxes.

What changed from 2023 to 2024?

- Increase in County tax of 0.75 mills
- Increase in Library tax of 0.016901 mills
- Addition of Fire/EMS tax

Fire Tax of 0.5 mills and Emergency Medical Service Tax of 0.4 mills:

Each year, the township provides this insert to assist you in reading your local tax bill (the school tax bill arrives in August). This year, there is a significant change: Middle Smithfield Township, along with Smithfield and Price townships, have added a Fire and Emergency Medical Services (i.e., ambulance) tax.

Since 2013, municipal property taxes and fees have remained the same. Since 2014, municipal sewer fees have remained the same. Something that has NOT remained the same is the dilemma of our first responders – that continues to grow. Who rescues the rescuers?

The question everywhere in Pennsylvania is: what can we do to ensure the sustainability of fire and EMS? According to the National Fire Protection Association, volunteers comprise 65% of U.S. firefighters overall. But participation has dwindled, down 25% from 1984 to 2020 – but meanwhile, fire departments have responded to more than triple the number of calls over that same period. Triple the fire calls with 25% less firefighters.

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What Your Tax Dollar Provides

Your Municipal Taxes Provide:

- 74 Miles of municipal roads maintained.

This includes several bridges, snow plowing/ClearLane/cinders, at least 8 miles of roads paved every year, drains cleaned, trees trimmed, and spring and fall leaf pick up.

- Recycling program, including the leaf composting facility.

- Twice annual Dumpster Day/Township Cleanup.

• Community reinvestment:

- The Community & Cultural Center Facility
- Building a sense of community, for example, litter and beautification efforts such as Adopt-a-Road and litter clean-up "1000 feet of Street" at a time, streetscaping, and community events.
- Note: The cost of events such as Memory Makers and the Tree Lighting are defrayed by sponsorships of our local businesses – some events such as the Egg Hunt, Trunk or Treat, and Person of the Year have been 100% funded by our sponsors!
- Economic Development: Supporting our local businesses through programs such as Shop Local, and the "Revitalize 209" program

• 5 Established parks.

- Echo Lake Park on Milford Road
- Judy Putek Park on Municipal Drive
- Resica Park on Gravel Ridge
- Community Gardens Park on Coolbaugh Road
- Leroy Lewis Dog Park at Leroy's Lane

- Golf Course and Banquet Hall (currently seeking a new owner)
- Community planning, zoning and zoning enforcement (such as cleanup and blighted areas).
- Communication and information (newsletters, website, social media, township message boards, signage, etc.).
- Community involvement: Committees, Boards and Commissions to facilitate resident engagement. These include Historical, Zoning Hearing Board, Planning Commission, Economic Development, Parks and Recreation, Litter and Beautification, Golf, and Revitalize 209.



Fire Tax of 0.5 mills and Emergency Medical Service Tax of 0.4 mills:

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'While some fire departments have brought on full-time paid firefighters to fill the gaps volunteers can't cover, many communities, especially in rural areas, can't afford the cost of a professional fire service. The National Fire Protection Association estimates that the time donated by volunteer firefighters saves communities nearly \$47 billion each year.'

~ Alex Brown, Pennsylvania Star Capital

Many who now live in Pennsylvania hail from the tri-state area, or more urban areas such as Philadelphia with paid fire services, and assume that vital first responder services are already covered in their taxes. They are not. Whether it's donations from your municipality or donations directly from the public, volunteer fire departments are funded by donations. Similarly, EMS is supplemented by donations. Since enacting the Cable Franchise Fee was enacted in 2008, the majority of funds Middle Smithfield Township provided to fire and ambulance companies has come from the cable franchise fee, with the rest supplemented from the township's general fund, such as providing radios, AED's, and other equipment and in-kind services such as paving. (A portion of the township's Cable Franchise Fee also goes to Monroe County Control Center.)

In 2022, four neighboring municipalities (Middle Smithfield, Smithfield, Price, and Delaware Water Gap) commissioned a comprehensive study of Emergency Services in this area: what is there to protect (what are the characteristic of our community); what do we have to protect us (analysis of current fire and ambulance); what should we have to protect us, what is the gap, and what can we do to fill the void.

Bushkill Emergency Corps, Bushkill Fire Company, Marshalls Creek Fire Company, Shawnee Fire Company, Suburban EMS -- All of our fire and ambulance companies have worked together with the municipalities and JLN Associates to produce the study late last year, which is currently under review, and will help guide future action. However, one thing is clear: it is now the municipalities that must first respond to this emergency.

Some municipalities such as Delaware Water Gap, already have a fire tax and an EMS tax (Now, 10 out of 20 municipalities in Monroe County fund their fire departments via a fire tax.) Municipalities also receive a Local Services Tax, collected by Berkheimer, from only those who are employed within the township and earning over \$12,000 a year. This tax must be used for police, fire and/or emergency services; road construction or maintenance; or for the reduction of property taxes. This tax is \$52 per year, \$5 of which is shared with the East Stroudsburg School District.

Real Estate Taxes: Your Tax Bill Explained

Tax is on the value of real property, including land, buildings, and other improvements, owned by a tax payer. Amount of real property tax owned depends on the value of the property and the local tax rate. For taxing purposes, property values are determined by an assessment process conducted by county government.

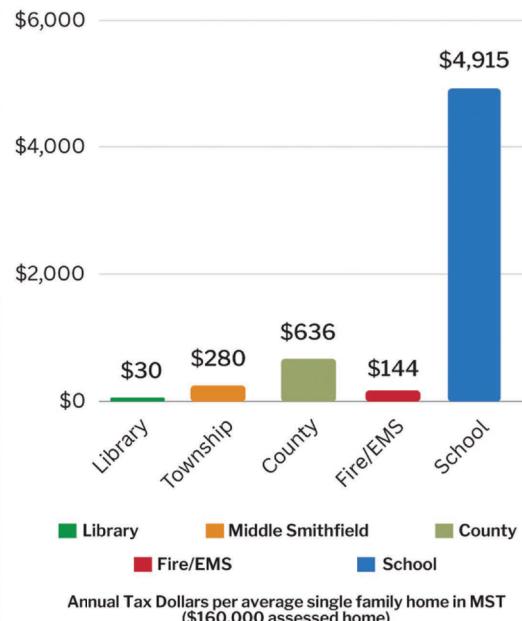
The more than 100,000 parcels in Monroe County are assessed at 100 percent of their perceived actual market value. A home assessed at \$100,000 should have a market value of \$100,000. All pre-existing homes and buildings in the county were first reassessed in 1988 to arrive at common comparison values, and were last reassessed in 2019.

School districts, townships, boroughs, libraries, and county government use millage to arrive at a tax rate. Each mill represents \$1 in taxes for every \$1,000 of assessed value. Therefore, a school district with a tax rate of 30.72 mills, or \$30.72 per \$1,000 of assessment, will charge the owner of a \$100,000 home assessed at \$100,000, a school tax bill of \$3,072 (100×0.3072 mills).

What is the Homestead/Farmstead Tax Exemption

Under a homestead or farmstead property tax exclusion, the assessed value of each homestead or farmstead is reduced by the same amount before the property tax is computed. Homeowners are not guaranteed a homestead or farmstead exclusion.

If you have not already done so before, don't forget to apply for the homestead/farmstead act tax exclusion. You can find the forms on the Monroe County PA website at: monroecountypa.gov/departments/assessment/resources/homestead



Income Taxes: The "Berkheimer Tax"

By now, you should also have also received a mailing by Berkheimer. Local Income Taxes must be filed every year. Prepare your local income tax return when preparing your Federal & State returns.

Berkheimer Associates processes the Local Income Tax returns. Forms, instructions and filing information can be found on their website: <https://www.hab-inc.com/forms/forms-for-individuals/>.

But what's a mill?

One mill represents \$1 for every \$1,000 that a property is assessed.

This means that with an assessment of \$100,000 = 100×1.75 mills is \$175 in taxes annually for every property assessed at \$100,000 in market value

In the sample tax bill below, the total is \$369.86. This total is broken down into four sections:

Monroe County Tax: 3.97 mills	Fire & EMS Tax: .900	Library Tax: 0.18 mills	Municipal Tax (that's us!): 1.75 mills
This tax goes to Monroe County, which covers several Townships.	This tax goes to support fire & EMS Providers.	This tax goes to support the public library system in the local area.	This tax goes to Middle Smithfield Township.
In this sample, the tax is \$215.90	In this sample, the tax is \$48.86	In this sample, the tax is \$10.10	In this sample, the tax is \$95

COUNTY OF MONROE MIDDLE SMITHFIELD TOWNSHIP			2024 TAX NOTICE			MARCH 1, 2024	
PAYABLE TO TAX COLLECTOR & MAIL TO: DAWN M ARNST, TAX COLLECTOR 326 FRUTCHEY DRIVE PO BOX 1279 MARSHALLS CREEK PA 18335-1279			RECEIVING HOURS: MARCH 1-JUNE 30 TUES 5-8 PM WED 9-12 OR BY APPOINTMENT ONLY				
ACCOUNT # BILL NUMBER: 000001 PRM24			TELEPHONE 570-223-0675			LAST PAYMENT DATE TO TAX COLLECTOR: DECEMBER 31, 2024	
TAXES UNPAID WILL RETURN TO COUNTY TAX CLAIM BUREAUON: JAN. 1, 2025			BUILDING 40,330 LAND 13,950 ASSESSMENT 54,280				
PARCEL NUMBER TYPE CLASS			TYPE TAX MILLS 2% DISCOUNT BASIC 10% PENALTY				
			CTY 3.9773	211.58	215.90	237.49	
			FIR/EMS 0.900	47.88	48.86	53.75	
			LIB 0.185914	9.90	10.10	11.11	
			MUN 1.75	93.10	95.00	104.50	
TAXES BILLED HEREON ARE NOW DUE AND PAYABLE AND DEMAND FOR PAYMENT IS HEREBY MADE.			AMOUNT IF PAID BY APR 30, 2024	JUN 30, 2024	DEC 31, 2024		
TAXPAYER NAME AND ADDRESS: Molly Smithfield 147 Municipal Dr East Stroudsburg, PA 18302			TOTAL TAX DUE 362.46			369.86	406.85
PAYABLE IN UNITED STATES CURRENCY ONLY. DATE RECEIVED _____ AMOUNT RECEIVED _____							
PAYMENT RECEIVED BY _____							
PAYMENT MADE AFTER DEC 15 MUST BE PAID BY CASHIER'S CHECK OR MONEY ORDER.							

What is your Township doing to hold taxes down?

Reducing spending, and increasing income

Cutting costs: All township employees are charged with cutting costs wherever possible, without reducing services. For example...

We have installed energy saving devices such as Basic Power that reduce our utility usage, saving thousands of dollars a year. A successful grant application allows the township to install solar panels on its Community & Cultural Center, which will further allow the township to reduce energy costs. We also cut costs by achieving an economy of scale – volume or bulk buying via memberships to professional organizations that act as a buying group, such as COG (Council of Government) and Co-Stars. We also aren't penny-wise and pound foolish – we invest in better equipment and materials because, in the long run, it saves money. For example, our township was one of the first to use ClearLane, a road treatment product superior to salt. While ClearLane costs more per pound than salt, we use less of it than salt, as well as saving labor hours because the product does some of the work.

In 2017, the township purchased a parcel in the Wooddale area and put a public works shed for materials and equipment in an underserved area of the township. Now, when a storm hits, response time is cut and the workflow is more efficient. This additional facility in the Wooddale area will save time, which means it saves money and increases safety: when plows spend their time plowing instead of commuting to a facility on Municipal Drive, they can keep the roads clear more of the time, and finish plowing faster.

Increase Income: Middle Smithfield gets income from a number of sources, such as the taxes you pay, the fees we receive from building and zoning permits, and the grants we get from the state, federal, and private programs which help to stretch your tax dollars in completing projects. But, rather than increase taxes, we seek to increase the number of entities paying taxes. In other words, rather than increase the tax burden for each tax payer, we seek to increase the number of tax payers to share the burden -- increasing the tax base. With more tax payers to share the burden, the cost to each is spread out. Programs such as sewer financing and LERTA are designed to attract tax-paying businesses such as AutoZone, Dollar General, the Apartments at Mt. Nebo phases I and II, and Tractor Supply in an effort in keeping not just your municipal taxes low, but to hold the line on school taxes as well.

Speaking of attracting tax paying businesses, the township is pursuing renewing the LERTA agreement with the school district for another decade.

Attracting tax-paying businesses:

The most demonstrable example of the township's effort to increase the number of tax-paying parcels in the township is the successful effort to rezone 311 acres of the township owned, vacant land into C2 – Commercial to advance the mission of selling the municipal golf course to a qualified buyer. It has been the goal of the township for the last 11 years to transition this property into a tax-paying property and, thanks to the rezoning, there are now more options for developers. With the property currently for sale at a minimum bid of \$650,000, and the LERTA zone, the prospects have broadened and furthered the possibilities of adding this property to the tax base. (Currently, because the township owns the property, there is no property tax revenue).

The 311 acres includes part of the municipal golf course, and the golf holes themselves will remain as open space for the neighboring community. The C2 district is eligible for LERTA tax abatement. The township hopes the availability of commercial land adjacent to the golf course, with incentives such as sewer financing and the LERTA tax abatement, will attract a qualified buyer with a project consistent with the township's mission and vision statements. A developer would have the options of creating a project compatible with a golf course, and purchase both the commercial land and the golf course. (Stand-alone golf courses are not popular investments, and reduces the chances of the township selling its golf course). A sale of the golf course and the adjacent acreage would put that land back on the tax rolls and a compatible business would create jobs, and not adversely affect school taxes as more residential development could.

LERTA: Local Economic Revitalization Tax Assistance Act

Sewer: Financing the future improves cash flow, improving our local economy by encouraging our existing businesses to grow, and attracting new ones.

The burden on current tax payers can only be eased by expanding the tax base (i.e. getting more tax payers to share the tax burden, such as new commercial ventures.) We cannot gain land area (i.e. we cannot gain more taxable land parcels), but we can look to improve the area that exists.

The LERTA program provides tax abatement incentives to encourage improvements, rehabilitation, and new construction.

The sewer financing program allows for businesses to finance their sewer tap in fees after paying for the initial 2 EDU tap in fee, improving cash flow, and allowing more investments in our community.

The need for more incentives to bring in more businesses is obvious. Many cities and townships throughout the county have turned the corner and are now seeing their local economies growing. The supervisors, commissioners, and majority of the school board want to see more businesses to share the tax burden and more jobs available locally.

New taxes realized as the result of development would be phased in over six years with 0% due in year 1, 20% in year 2, 40% in year 3, etc. The incentive would attract new businesses, increase employment opportunities, and further add to the tax base.

If you would like to learn more about our programs, or if you are a business looking to expand or relocate to our township, please call us at 570-223-8920 x130 or email jbrechbiel@mstowship.com