Since 2012, more than $1 billion in natural gas impact fees has been distributed inside and outside the Marcellus Shale region. This funding has been an enormous benefit for municipalities and their residents who have lived with significant impacts from the industry that changed their communities, particularly in the hard-hit southwest and northcentral areas of the state.

While natural gas drilling brought many positives to the affected communities, including new jobs, higher wages, business growth, and royalties for gas leases, these communities saw first-hand the negative effects of natural gas drilling and the related industries, including traffic jams on, and damage to, small rural roads caused by hundreds of heavy trucks headed to drilling sites with water, stone, and equipment, challenges to emergency responders, and concern over water supplies.

Fee directly benefits community

Since its enactment in 2012, the natural gas impact fee has been directly benefiting communities across the state, both inside and outside of the affected areas.

The natural gas impact fee, which is levied based on wells drilled since the inception of the current play, is designed to directly benefit the citizens and businesses impacted by the energy industry.

Approximately 60 percent of the collected funds go directly to communities impacted by drilling, with those hosting the most wells receiving the greatest portion of the funds. Today, municipalities are using the revenues for a range of eligible projects – from road and bridge infrastructure and public safety to environmental programs and planning for the future.

Local officials are cautiously using these funds to make well-thought-out investments in their communities. Local roads and bridges are being improved while often-ancient road and public safety equipment is being replaced; support for volunteer fire companies is being increased; local parks are seeing upgrades; sewer project costs are being offset; local police departments are being retained, expanded, or started.

To significantly reduce reliance on debt, local officials are using capital reserve funds to responsibly save all or a portion of these funds for major projects, such as roads, bridges, and...
The arrival of the impact fee signaled a new day in Pennsylvania, one where we turned away from a past where natural resource booms destroyed those communities directly impacted by the removal of natural resources and no tools were provided for recovery.

sewer systems, as well as for a day when the industry is gone but impacts remain.

The remaining 40 percent of the impact fee funding is being distributed throughout the commonwealth. In fact, every county in Pennsylvania has received funding to repair structurally deficient bridges, support county conservation districts, and undertake environmental and recreational projects. In addition, every municipality is eligible for funding to clean up the environment, convert vehicle fleets to natural gas, and install water and sewer lines in areas that desperately need them.

Critical local funding stream

The Association wants to make sure this critical local funding stream is preserved and continues to directly benefit our communities, residents, and businesses. PSATS opposes any legislation that would amend Act 13 of 2012 to reduce the allocation or amount of impact fees being distributed to townships affected by gas exploration activities or otherwise made available to municipalities under this act.

This impact fee is being invested directly in our communities, increasing the quality of life of our residents, and easing property tax burdens. Without this well-designed fee on the industry, taxpayers will need to pay for the cleanup long after the industry is gone.

A new day

The arrival of the impact fee signaled a new day in Pennsylvania, one where we turned away from a past where natural resource booms destroyed those communities directly impacted by the removal of natural resources and no tools were provided for recovery. Moving forward, the new jobs and expanded economic opportunities must continue. At the same time, the industry must continue to pay for the impacts it is causing, both now and in the future. ❖