

**League of Women Voters of Pennsylvania
Marcellus Shale Natural Gas Extraction Study
2009-2010**

**CONSENSUS QUESTIONS
Consensus Deadline is March 26, 2010**

I. Economic Issues (See Study Guide III – Economic Impact.)

Please respond to each of the following according to the scale below:

1 Not Important 3 Neutral 5 Very Important

A. How important is it that natural gas extraction from Marcellus Shale benefits the economic strength of Pennsylvania?

1 2 3 4 5

B. Please rate the importance of each of the following items relative to natural gas extraction from Marcellus Shale.

1. Creation of new jobs in Pennsylvania

1 2 3 4 5

2. Provision of new revenue streams for:

a. State Government

1 2 3 4 5

b. Local Government

1 2 3 4 5

3. Protection of the Pennsylvania tourism business from disruption of public and private recreation facilities and areas

1 2 3 4 5

4. Research to enhance knowledge of the effects of natural gas extraction from Marcellus Shale on the economy, environment, and public health of Pennsylvania

1 2 3 4 5

II. Revenues/Taxes (See LWV-PA Fiscal Policy as well as Study Guides III Economic Impact, IV Taxation, and V Regulation.)

Please respond to each of the following according to the scale below:

1 Unfair and Inequitable 3 Neutral 5 Fair and Equitable

A. Rate each of the following government taxation and/or revenue streams.

1. Income from personal and business taxes derived from natural gas extraction from Marcellus Shale.

1 2 3 4 5

2. Severance tax

1 2 3 4 5

3. Local taxes on natural gas as property

1 2 3 4 5

4. Fund from leasing state forest land and associated production royalties

1 2 3 4 5

5. Permit fees levied by the Department of Environmental Protection (DEP)

1 2 3 4 5

6. Bonding funds provided by companies to DEP and municipalities

1 2 3 4 5

Please respond to each of the following according to the scale below:

1 Not Important 3 Neutral 5 Very Important

B. How important is it that there be funds allocated for:

1. General Fund

1 2 3 4 5

2. DEP regulation

1 2 3 4 5

3. Environmental restoration

1 2 3 4 5

4. Public health monitoring and remediation

1 2 3 4 5

5. Permanent fund as predictable revenue source to help communities adjust when the industry declines

1 2 3 4 5

6. Basic and applied research related to natural gas extraction from Marcellus Shale

1 2 3 4 5

7. Escrow or reserve fund for unanticipated outcomes

1 2 3 4 5

III. Citizen's Rights (See Study Guide V – Regulation.)

Please respond to each of the following according to the scale below:

1 Not Important 3 Neutral 5 Very Important

How important is it to:

A. Support legislation that provides transparency in the exploration, drilling and production of natural gas to all interested citizens?

1 2 3 4 5

B. Balance the rights of surface owners and gas/mineral rights owners?

1 2 3 4 5

C. Establish a quick and easy way to request and obtain inspections from DEP?

1 2 3 4 5

D. Provide for local citizen input into the placement of pipelines and compressors?

1 2 3 4 5

E. Extend timelines for retesting water quality?

1 2 3 4 5

F. Establish an oversight hotline for reporting potential violations and accidents?

1 2 3 4 5

IV. Environment (See LWVUS Natural Resources Position as well as Study Guides II Environmental Impact and V Regulation.)

Please respond to each of the following according to the scale below:

1 Not Important 3 Neutral 5 Very Important

How important is it to:

A. Remove all natural gas industry exemptions from environmental legislation, policies and regulations, e.g. Safe Drinking Water Act, Clean Air Act?

1 2 3 4 5

B. Specify in all leases how land should be restored?

1 2 3 4 5

C. Develop consistent statewide water use plans and enforcement so that the Erie, Ohio, Genesee, and Potomac River Basins are treated similarly to the Susquehanna and Delaware River Basins?

1 2 3 4 5

D. Disclose completely the composition of fracking fluid and flowback wastewater?

1 2 3 4 5

E. Establish monitoring devices to determine the effect of natural gas drilling, production, and transmission on air and water quality?

1 2 3 4 5

F. Encourage research and development to decrease the negative environmental impact of the exploration, extraction and production of natural gas?

1 2 3 4 5

G. Establish a procedure to insure collaboration and communication between local, regional, state and federal agencies regarding the regulation, monitoring, and enforcement processes?

1 2 3 4 5

H. Require the use of best practices and available technologies by companies to reduce negative impacts on the environment?

1 2 3 4 5

Comments

Comments important to the consensus of your League may follow, but please limit them to 250 words.

Please describe the method(s) your League used to inform members about the Marcellus shale gas extraction issue.

How was consensus reached?

How many members participated?

**PLEASE RETURN NO LATER THAN MARCH 26, 2010 TO:
League of Women Voters of Pennsylvania
226 Forster Street
Harrisburg, PA 17102-3220**

Addenda to Consensus Questions

The following addenda taken from relevant LWVPA and LWVUS positions are attached for your convenience to assist in responding to the consensus questions. Also attached is a relevant section in Article I of the PA Constitution.

Question II. Revenue: Taxes

Relevant Section from LWVPA *Where We Stand* 2009-11

FISCAL POLICY

POSITION IN BRIEF

Support an equitable and flexible tax system for state and local government in Pennsylvania.

POSITION IN DETAIL

The League of Women Voters of Pennsylvania supports adequate, flexible funding of state and local governmental programs through an equitable tax system that is progressive overall and that incorporates a broad-based income tax, responsible fiscal policies, and an open budget process with adequate citizen participation.

STANDARDS

The following standards should be used to ensure an equitable and flexible system for Pennsylvania:

Equity

Revenue sources should be related to the ability to pay.
Consideration should be given to those who bear the final burden of the tax.

Adequacy

Adequate, reliable revenues should be provided to finance mandated public services without harmful effects on individuals and businesses.

Flexibility

Control of state tax sources and rates should be in the legislature; the general framework for local revenues should be established by statute and not constitutionally mandated.
A variety of revenue sources should be used so as to assure adequate revenues when economic conditions change.
Tax incentives, exemptions and other concessions to encourage or discourage economic, environmental, and social activities should be used with restraint and should be subject to mandatory periodic review.
Dedication of specific taxes for specific purposes should be limited.
Dedication of specific taxes should not be constitutionally mandated.

Ease of Administration

Taxes should be understandable, certain, visible to the payers, and easy and economical to assess and collect.
Compliance by the taxpayer should be simple and convenient.

SPECIFIC RECOMMENDATIONS:

Income Tax

The primary source of revenue for state and local governments should be a broad-based, progressive income tax shared by and levied on business and individual taxpayers. An exemption should be provided for low-income individuals.

Sales Tax

The sales tax should not be extended either in scope or rate.

Property Tax

Property tax exemptions for religious, charitable or other public property (as defined in Article VIII Section 2a of the PA Constitution) should apply only to those portions actually used for public purposes. Tax exempt properties should pay for services rendered directly to them.

Property taxes should be levied on both land and improvements; taxing jurisdictions should have the option of levying a higher tax on land than on buildings, primarily in high-density urban areas. A graded tax should be used in other areas only when there is adequate protection of farmland and open space.

Taxing jurisdictions should have the option of using an income tax in conjunction with a classified property tax (different classes of property taxed at different rates) to lessen reliance on the unclassified property tax.

Property Tax Relief Programs:

Tax abatement for the elderly, the disabled or infirm and the poor should be based upon strictly enforced standards of real financial need; benefit levels should be adjusted periodically to reflect changes in the cost of living.

Tax abatement for improvement of deteriorating property or industrial development should be based upon stringent standards of qualification and performance.

The League supports a preferential property tax program to preserve actively farmed lands and open space. Such a program should include income and acreage requirements and be flexible enough to include critical environmental areas and preservation of small pieces of open space in densely populated areas.

Real Estate Assessment

Continued use of the property tax must be predicated on uniform, accurate assessment.

Assessment should be performed at the county level by trained, qualified assessors.

Factors, and their definitions, to be considered in the valuation of real estate should be included in statutes.

Ratios of assessed to market value should be uniform statewide, preferably at a level of at least 50 percent.

Property should be reassessed at regular intervals.

Other Local Taxes

Taxes should not be levied on occupation or per capita.

A selection of local taxes should be available to local governmental units.

A progressive, broad-based income tax should be substituted for the local earned income tax.

Regional tax base sharing should be encouraged.

Consensus Question IV Environment

Relevant section from LWVUS *Impact on Issues* 2008-10

NATURAL RESOURCES

Promote an environment beneficial to life through the protection and wise management of natural resources in the public interest.

POSITIONS IN BRIEF

The full position can be accessed at www.palwv.org or www.lwv.org.

Natural Resources. Promote the management of natural resources as interrelated parts of life-supporting ecosystems.

Resource Management. Promote resource conservation, stewardship, and long-range planning, with the responsibility for managing natural resources shared by all levels of government.

Environmental Protection and Pollution Control. Preserve the physical, chemical and biological integrity of the ecosystem, with maximum protection of public health and the environment.

Air Quality. Promote measures to reduce pollution from mobile and stationary sources.

Energy. Support environmentally sound policies that reduce energy growth rates, emphasize energy conservation and encourage the use of renewable resources.

Land Use. Promote policies that manage land as a finite resource and that incorporate principles of stewardship.

Water Resources. Support measures to reduce pollution in order to protect surface water, groundwater and drinking water.

Waste Management. Promote policies to reduce the generation and promote the reuse and recycling of solid and hazardous wastes.

Public Participation. Promote public understanding and participation in decision making as essential elements of responsible and responsive management of our natural resources.

THE PENNSYLVANIA CONSTITUTION

Article 1, Section 27

“The people have a right to clean air, pure water, and to the preservation of the natural, scenic, historic and esthetic values of the environment. Pennsylvania's public natural resources are the common property of all the people, including generations yet to come. As trustee of these resources, the Commonwealth shall conserve and maintain them for the benefit of all the people.”