



POSITION STATEMENT ON ESTABLISHING A HOME RULE STUDY COMMISSION

BACKGROUND

The City of Lancaster is a welcoming, diverse community with a robust downtown and thriving neighborhoods. With intentional investment over the last decade, the City has been able to flourish in new and meaningful ways for its more than 58,000 residents and for the hundreds of people that come to the city daily for work and entertainment. In order to have a prosperous state and healthy business environment, strong communities like the City of Lancaster are essential.

Due to outdated laws, policies, and mandates on the local government structure in Pennsylvania, the City, one of 53 Third-Class cities in the Commonwealth, continues to face an ongoing structural deficit. Annual revenue options are limited and mandated expenditures continue to increase. Currently, the result is deficits, service cuts, and property tax increases that still cannot keep up with the growing expenditures.

Structural deficits impede the City's ability to maintain essential public services; while property taxes account for 46% of the 2023 budget (\$33.4 million), the city's police and fire budgets together total to \$42.6 million, which well surpasses the funds available and doesn't account for other expenses. While property taxes have increased nine times since 2006, assessed property values have remained stagnant. In efforts to address this issue, the city has refinanced debt, advocated for legislative change, and worked to keep expenditures down to a modest four percent average annual growth.

In search of a sustainable solution, Lancaster City is exploring the potential of a Home Rule Charter. This would transfer authority to act in municipal affairs from state law, as set forth by the General Assembly, to a local charter, adopted and amended by voters. Adopting a home rule charter in Lancaster would allow the city more independence in codifying taxes and raising revenue, with an interest in modifying the rate of the local earned income tax and the real estate transfer tax.

The process for adopting a Home Rule Charter begins with the formation of a study commission and is voter-focused throughout. This commission is established by Lancaster City voters, who also elect nine commissioners tasked with "comprehensively reviewing, studying, and analyzing" the current government structure and alternatives. If changes are recommended, voters must approve them with a majority vote during a referendum, which would take place at the earliest in the 2024 General Election.

POSITION

The Lancaster Chamber supports the establishment of a Home Rule Study Commission that will study any and all solutions that address the structural deficit.

In alignment with the Pro-Business Agenda, the Lancaster Chamber seeks to advocate for community needs and encourage responsibly stewardship of state and local finances. Ultimately, the Chamber supports measures to give cities and municipalities tools that will ensure fiscal sustainability without forcing costs on overburdened residents or sacrificing public services and safety. The Lancaster Chamber urges the Commission to study multiple options and make recommendations with the business community and their employees in mind, particularly as the Commission analyzes the long-term impact of home rule.

Approved by the Advocacy Committee on 3.2.2023.

Approved by the Board of Trustees on 3.21.2023.