

LEGISLATIVE BULLETIN

COUNTY COMMISSIONERS ASSOCIATION OF PENNSYLVANIA
THE VOICE OF PENNSYLVANIA COUNTIES

IN THIS EDITION:

- **County Priorities Spotlight: Broadband Report Calls for Boosting Connectivity in Rural Pennsylvania**
- **CMS Guidelines on Medicaid and CHIP Services for Incarcerated Youth**
- **IFO Issues July Revenue Update**
- **House Democratic Policy Committee Hearing on Short-Term Rentals**
- **IFO Research Brief on Property Tax Burden**

COUNTY PRIORITIES SPOTLIGHT: BROADBAND REPORT CALLS FOR BOOSTING CONNECTIVITY IN RURAL PENNSYLVANIA

Earlier this month, the Joint State Government Commission's (JSGC) Broadband Advisory Committee published its fifth and final **report** on Senate Resolution 47 of 2019. With representatives from commonwealth agencies, internet service providers (ISPs), and other technology industries and associations, the committee's final report provides an update on the role of broadband in education, healthcare, agriculture, tourism, community and economic development, as well as barriers to development in Pennsylvania.

Details of the report include current funding programs and opportunities (at the state and federal levels), especially related to agriculture and healthcare.

Notably, the JSGC report cites a 2019 U.S. Department of Agriculture report on internet use and technology adoption rates among Pennsylvania farmers compared with the rest of the country. They noted that since 2019 internet connectivity among farms and rural communities across the U.S. grew by nearly 10%. During that same period, Pennsylvania's growth was slower than national average, as the number of Pennsylvania farms with internet access grew by only 2%. Furthermore, the report notes that between 2005 and 2023, Pennsylvania's connectivity growth was slower compared to neighboring states in the northeast, experiencing nearly 10% less growth compared to the national average over the 18-year period. To aid in closing this access gap, the FY 2024-2025 commonwealth budget **authorized** \$10 million in funds for the Agriculture Innovation Program, which will allow farmers and agricultural businesses to utilize broadband and technology for farming innovation. Additionally, the report notes **Act 42** of 2024, which aims to address Pennsylvania's rural health care crisis by requiring health insurance and managed care plans to pay for covered health care services delivered through telemedicine.

The report noted that while fiscal and regulatory support for rural broadband has increased, there are still issues affecting access; proposed legislation identified in the report offers pathways for increased broadband coverage and availability among unserved and underserved communities.

Counties continue to **prioritize** broadband access and development and look forward to continuing work and partnerships to bring all Pennsylvanians into the 21st century together.

CMS GUIDELINES ON MEDICAID AND CHIP SERVICES FOR

INCARCERATED YOUTH

The Centers for Medicare and Medicaid Services (CMS) has issued guidance in alignment with the Consolidated Appropriations Act (CAA) of 2023, which outlines the new statutory requirements affecting Medicaid and the Children's Health Insurance Program (CHIP) for youth detained in public institutions. These changes will be effective as of January 1, 2025, and states are required to submit any necessary amendments to their Medicaid and CHIP state plans by this date.

CMS's guidance details the specific requirements that states must follow. For Medicaid, states are mandated to provide medical and dental screenings and diagnostic services to eligible youth within 30 days before their release and no later than one week after release, in accordance with early and periodic screening, diagnostic, and treatment standards. Further, targeted case management services, including referrals, must be part of the Medicaid state plan.

For CHIP, states are required to offer screenings, diagnostic services, and case management within 30 days prior to the release of eligible youth. The CAA allows states to choose between suspending or continuing CHIP coverage during incarceration rather than terminating it. Coverage must be reassessed before the child's release and can be extended to youth awaiting trial, ensuring uninterrupted coverage throughout the incarceration period.

The Pennsylvania Department of Human Services hosted a series of [webinars](#) on the provision of Medicaid and CHIP services to incarcerated youth following the enactment of the CAA.

IFO ISSUES JULY REVENUE UPDATE

The state's Independent Fiscal Office (IFO) recently released its monthly revenue [update](#) for July. July collections were \$110 million (+3.8%) higher than collections for July 2023, with tax revenues up by 1.5%. The surplus was driven by collections from personal income motor vehicle taxes but offset by lower-than-expected sales and use tax collections. Treasury collections remained steady but are expected to decline as the fiscal year progresses.

HOUSE DEMOCRATIC POLICY COMMITTEE HEARING ON SHORT-TERM RENTALS

On July 29, the House Democratic Policy Committee held a public hearing on the impact of short-term rentals across Pennsylvania. The panel focused on finding a balance between expanding tourism and ensuring affordable housing opportunities. Representatives from various tourist organizations across the commonwealth shared their expertise on short-term rentals, discussing how these rentals affect tourism, housing and local infrastructure.

Rep. Mandy Steele (D-Allegheny) highlighted the need to revise the taxing structure for short-term rentals to ensure fair taxation. She emphasized that all short-term rental operations should contribute to local taxes and participate in community initiatives, such as tourism promotion. Further, Dave Breingan, the executive director of Lawrenceville United, warned about the potential negative effects on housing prices due to increased demand for short-term rentals. He advocated for empowering local governments to regulate short-term rentals and suggested legislative measures to increase the housing supply.

Under Pennsylvania law, landlords who rent out their property for lodging for less than 30 days to the same person must collect and remit a state hotel occupancy tax to the Department of Revenue. This tax, which is set at 6% - the same as the state sales tax - also applies to rentals of rooms, apartments, and houses arranged through online or third-party brokers. Some counties impose an additional county tax, which is collected by the county treasurer. County-level tax rates are available on the [Department of Community and Economic Development website](#).

Through [House Resolution 425](#), the Joint State Government Commission is currently conducting a research study on the growth and evolution of short-term rentals operating in the commonwealth. The Commission is set to release their findings and recommendations by the end of 2024.

IFO RESEARCH BRIEF ON PROPERTY TAX BURDEN

On August 21, the state's Independent Fiscal Office (IFO) released a [research brief](#) that estimates the 2022 homeowner-renter property tax burden by all levels of local government in Pennsylvania. In 2022, Pennsylvania homeowners and rental property owners paid an estimated \$18.4 billion in property taxes, which represented 2.46% of total income. Monroe County had the highest property tax burden at 4.19%, significantly higher

than Pike County, which had the second-highest burden at 3.38%. Conversely, Potter County had the lowest property tax burden at 1.15%, more than a full percentage point below the statewide average.

A heat map in the report reveals geographic trends, showing that nearly all counties in the top 10 for tax burden are in eastern Pennsylvania, many bordering New Jersey. These counties accounted for 37.3% of the total homeowner-renter property taxes in 2022. Most counties with the lowest tax burdens are in the north and central regions of the state, all of which are rural and collectively accounted for 1.0% of the total property taxes.

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