

COLLEGE TOWNSHIP COUNCIL  
REGULAR MEETING  
THURSDAY, DECEMBER 22, 1983

A regular meeting of the College Township Council was called to order at 7:30 pm by Chairman Dargitz on Thursday, December 22, 1983, in the College Township Municipal Building.

Members present: Donald E. Bailey, Gale L. Dargitz - Chairman,  
J. Carroll Dean, Herbert W. Stewart, Dolores  
A. Taricani

Others present: C. Thomas Lechner - Manager  
Beulah L. Houser - Administrative Assistant  
Robert L. Hayden - Treasurer

COLLESPONDENCE

A letter dated December 14, 1983, was received from Lassie Martsoff, President of the State College Area Chamber of Commerce. This letter reaffirmed the Chamber's opposition to the Proposed Business Privilege and Mercantile Tax as originally stated in a May 10th letter to Council which was enclosed.

BUSINESS

1. Final Action on the 1984 Budget

Giving background information on the proposed tax increase, Dargitz said that over a year ago Council seriously discussed a Business Privilege and Mercantile Tax, but with inadequate time to advertise, etc., they instead eliminated \$40,000 worth of projects and raised Real Estate Taxes by three mills.

In April and May of this year the Mercantile Tax was again debated with many business members of the Township present. On May 12, 1983, Council approved a committee to study alternate methods of raising revenue. The committee made an unsuccessful attempt to place a non-binding referendum on the 1983 ballot; their request was turned down by the County Board of Elections. In October and November a series of budget workshops and a public hearing on the 1984 Budget was held; however, no one from the public was in attendance.

Dargitz went on to say that although balanced, the 1984 Budget reflects an eight-percent increase and assumes that \$60,000 to \$70,000 will be forthcoming from a .5-mil Mercantile Tax and from a two-mil increase in Real Estate Taxes.

Dargitz said that every business will be required to obtain a \$10 Business Privilege and Mercantile License. The tax would be levied on gross sales with the first \$40,000 exempt.

Dean then moved and Bailey seconded that Council adopt the Budget for 1984

as revised and presented on December 22, 1983. [The motion included a 2-mil Real Estate increase and a .5-mil Mercantile Tax.] With Council members preferring to postpone their comments until later, Dargitz opened the discussion to the audience.

John Walizer, State Farm Insurance Agent at the Nittany Mall, asked that his taxable gross income be defined. He also inquired about the possible alternatives to the Mercantile Tax and denounced Council for not researching real estate reassessment more thoroughly. Although, at this point, Dargitz stressed they could not have possibly come prepared to answer each individual's question, Reed McCormick stated that the tax would apply to Walizer's commission. Walizer objected saying that his income was also taxed by the Township and this amounted to double taxation.

Gene Stocker, of Stocker Chevrolet, stated that based on projected 1984 sales, his company would be paying \$7500 next year towards alleviating the Township's deficit of \$36,000. He felt that his tax bill would be disproportionate to the amount needed.

Also stating that since Council considered that businesses used the major portion of police services (Dargitz said, not true), Stocker asked that the Rockview Police services be employed, especially since they were willing and that the public paid for these services anyway.

Replying to the disproportionate amount of tax that business would be paying, Dargitz said wage earners and property owners will pay \$475,000 next year while businessmen will be contributing about eight percent of the amount in Mercantile Taxes -- approximately \$35,000 to \$40,000.

Taricani commented that Rockview Police services a few years ago only had two police cars available for Centre County -- one in Philipsburg and one in the valley. Their service could not compare with that of the State College Police.

Although under contractual obligation to State College for 1984 Police Services, Dargitz said using the State Police service should be explored for 1985.

Joe Taricani, College Township resident, said that after researching the amount of Real Estate Taxes paid by various businesses and residences in College Township, he was shocked at the inequities. He cited the following Real Estate Taxes paid to the Township by businesses: Stocker Chevrolet \$568, Hilltop Trailer Park \$432, Claster's \$417, Spectra Wood \$451, etc. [It should be noted that Real Estate Taxes paid to the Township are approximately 10 percent of the total Real Estate Taxes paid.] He strongly urged a County re-assessment which would result in less tax for business than the present Real Estate Tax plus the Mercantile Tax.

Joe Taricani also remarked that it was foolish not to raise the needed revenue totally through Real Estate Taxes just because the people on fixed incomes could not pay. He noted they would have their total tax rebated to them through a State Rebate Program.

Joe Taricani denounced the Mercantile Tax because it was unfairly selective of businesses who would pay (manufacturing firms are exempt), saying there was really no difference between Clark Motors and the Newspaper or Corning. Charging that the tax will be rife with fraud and abuse, Taricani added that it was a cancerous tax that would be increased over time.

Taricani then stated that he and his wife would each be willing to contribute \$100 to eliminate the Township's shortfall; he urged each businessman to do the same.

More discussion ensued on points Taricani had raised. To Bob Foust's statement that the Mercantile Tax would discourage businesses from locating in the Township, Dargitz replied that Townships throughout the State who have had the tax for a long time have grown faster than College Township in the past 10 years.

Roger Jacoby asked how many meetings the Ad Hoc revenue-search committee held and where was their report. Councilman Taricani replied, declaring that if that committee had been more active, the Township might be faced with a different set of information that night. Being a member of that committee, she accepted part of the blame, but said everyone was really at fault including members in the audience who did not attend the Budget meetings. Taricani said that passing the Mercantile Tax was a "cop-out" and Real Estate re-assessment should be undertaken.

Bill Clark, of Clark Motors, angrily stated that the budget motion should be tabled, that re-assessment should have been investigated years ago and that the Office Staff should be dismissed because they had not handled tax collection adequately in the past. Instead of Township government doing its job, he said, they were burdening the businessmen. Considerable discussion resulted from Clark's discourse, mostly to set the facts straight.

Joshua Tobey voiced his disapproval of the tax, saying the business people were not grinchies, but that the tax scared him. He was sure it would grow to its 1.5-mil limit. To his question if plasterers, bricklayers, etc. would be subject to the tax, Dargitz indicated no, only the self-employed businessmen.

Jerry Clinefelter, of Clinefelter's Carpet Shop, objected to the additional bookwork and said he favored an increased Real Estate Tax instead.

Lee Shields, Township resident, vehemently denounced the tax, submitting that the Township does not have the resources to collect it. He charged Council with not being more resolute to COG's and the Borough's increasing regional assessments and advised Council to cut back on these services, especially police services.

Roger Jacoby viewed a higher real estate assessment as quite acceptable saying that Patton Township was paying 15 mills and the State College Borough 21 mills.

Asked by Dr. Yingling, a Veterinarian, if Physicians at the Hospital would be subject to the Mercantile Tax, McCormick replied yes.

After Bob Foust voiced the recurring request for a blue-ribbon panel to

research alternate methods of taxation, Councilman Taricani addressed the audience again, saying that the Ad Hoc Committee had let down their guard. She did not realize how desperate the situation was and was surprised when the Mercantile Tax emerged as an alternative as quickly as it did. Taricani added that the Township Staff was not prepared to administer the tax and that there was not enough information concerning it. We don't know how much revenue the tax will bring in, she stated. We don't know if we will need additional staff to administer it. Even if the tax was passed, Taricani said, re-assessment had to be examined.

Replying to a statement by Norman Deno that businesses should look into the assessments and pay more property tax, Stocker agreed, saying he would be happy to pay more, that the Real Estate Tax was ridiculous but so was the Mercantile Tax.

Taricani said she didn't think it would be necessary for Deno to have to investigate taxes, nor should she. She felt that responsibility rested with the employees of the Township. Taricani added that private residences should be paying more in Real Estate Taxes also.

Dargitz replied that re-assessment was at least 10 years away and that Commissioners supporting the program could not get re-elected. It was a solution that was not going to solve their immediate problem.

At 9:30, with a call for the question, the vote was taken on Dean's motion for approval of the 1984 Budget. The motion carried, 3-2; Dean, Bailey, and Dargitz in favor and Stewart and Taricani opposed.

## 2. Ordinance #27-A, "Canvassers, Solicitors, Foot Peddlers, and Temporary Services

After a five-minute recess, Council reconvened to consider Ordinance #27-A which Dargitz said would repeal the old Ordinance #27 enacted in 1968.

Stewart asked Council to table the proposed Ordinance since the section concerning flea markets was unclear. Is one license for the organizer sufficient or must each participant need a license, he asked.

Dargitz chided Stewart for not raising the issue before; then he, along with Dean and Lechner, decided that section meant one license was sufficient for the entire flea market. Taricani remarked that it was thus part of the record and should stand; however, with that many questions on the Ordinance she recommended tabling it. Taricani then moved that proposed Ordinance #27-A be tabled until the January regular meeting. After Stewart's second, the motion passed.

Dargitz added that the proposed ordinance needed to be re-advertised but that a public hearing was not necessary.

## 3. Recommendations on Temporary Use Regulations

Dargitz stated that the Planning Commission had approved the supplemental regulations regarding Temporary Uses and asked that Council adopt them as part of the Zoning Ordinance.

Taricani moved and Bailey seconded that Council advertise the Planning Commission's recommendations on Temporary Use Regulations which will be considered at the February regular meeting as an amendment to the Township's Zoning Ordinance. The motion passed unanimously.

4. Other Business

McCormick stated that a separate ordinance needed to be enacted to establish the Mercantile Tax. Besides this Ordinance (Ordinance #83) two Tax Levy Resolutions also had to be approved -- all to formalize action taken that evening on the 1984 Budget.

Dean then moved that Council adopt Ordinance #83 which relates to a Mercantile License and Business Privilege Tax and to also adopt Resolutions #97 and #98. Bailey seconded the motion.

Taricani objected to passing an ordinance that needed to be "tidied up" later. She said the mechanism of the Ordinance frightened her because Council is not thoroughly informed.

Dean answered, would you have us go through the exercise of setting this up and then defeating it? McCormick agreed, saying you really can't provide for the administration of the Ordinance until you have the Ordinance. Specific questions must be answered individually.

Taricani called for the question on Dean's motion which then carried, 3-2. Bailey, Dargitz and Dean in favor; Stewart and Taricani opposed.

Taricani then requested the membership list of the Ad Hoc Tax Committee from Lechner and asked that he set a date for the Committee to meet within two weeks of Christmas.

ANNOUNCEMENTS

Dargitz reminded Council of the December 29 meeting at 4:00 pm to consider an IDA loan and a plan approval.

ADJOURNMENT

With Dean's move for adjournment and Bailey's second, the meeting concluded at 10:05 pm.

Respectfully submitted,

Thomas Lechner  
Secretary

CTL:jh:key