



YOUR REPORT

from State Representative

ROBERT FREEMAN

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Constituent Service Office: 215 Northampton St. • Easton, PA 18042 • (610) 253-5543

Harrisburg Office: 207 Irvis Office Building • P.O. Box 202136 • Harrisburg, PA 17120-2136 • (717) 783-3815

Webpage: www.RepFreeman.com

House committee OKs Freeman bill to compensate communities with high percentage of tax-exempt properties

The state would provide special financial assistance to municipalities with high levels of tax-exempt property, such as institutions of higher learning, nonprofit medical facilities, government offices or state forests and game lands, under legislation approved by the PA House Local Government Committee in May and introduced by state Rep. Robert Freeman.

“Municipalities in the Lehigh Valley and across Pennsylvania with a large amount of tax-exempt properties are faced with the challenge of providing residents with essential services but without a sustaining real estate tax revenue base,” Freeman said. “My legislation would provide annual financial assistance to those

affected municipalities, giving them the ability to provide those services that ensure the health and safety of their residents, and it would put their community in a more stable financial position to attract economic development and succeed.”

Freeman said H.B. 451 would establish the Tax-Exempt Property Municipal Assistance Fund to help municipalities with 15% or more of their total assessed property value as tax-exempt property within their borders. It would be funded by the state’s existing 18% Liquor Tax, known as the Johnstown Flood Tax, which was created to help rebuild Johnstown after it was devastated by a flood in 1936.

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Freeman lease-to-purchase bill would expand affordable home ownership

To assist families with less wealth in accessing sustainable home ownership, state Rep. Robert Freeman has introduced legislation to establish the Pennsylvania Lease Guaranteed Purchase Option Home Ownership Program, modeled after a lease-to-purchase concept.

Home ownership in the United States has dropped significantly since 2000, decreasing from 68% in 2003 to 63% in 2016, its lowest level since 1965. Although the overall home ownership rate has increased slightly in recent years, the home ownership rate among young adults (25-34-year-olds) has declined from 45% in 1990 to 41.6% as of 2021. Access to credit has become increasingly limited, especially for first-time homebuyers. In fact, the number of first-time homebuyers declined to just 26% in 2022, which is the lowest level since the National Association of Realtors began tracking data. Combined with the impacts of rent and housing prices rising faster than incomes, an inadequate inventory of affordable housing, high levels of student loan debt, and demographic shifts, many people are increasingly locked out of the home ownership market.

“Alternate models are especially needed to ensure that lower-income households have access to sustainable home ownership. One such model, the lease-to-purchase mortgage, allows a household to rent a home for a period before taking on the mortgage and ownership of

the property with a portion of each month’s rent set aside in an escrow account and used to cover the down payment and closing costs. This rental period allows households to build a positive credit history and increase their savings before taking on the responsibility of a mortgage, while at the same time ‘locking in’ lower interest rates and house prices,” Freeman said.

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Freeman bill to redevelop factory buildings approved by House committee

New state tax incentives would be created to promote redevelopment and reuse of abandoned or neglected factory or mill buildings in Pennsylvania under legislation reported out of the House Finance Committee in June, according to the bill's author state Rep. Robert Freeman.

"Using a building for the purpose other than what it was originally intended for is a way to reuse buildings that have stood in our communities for decades. Some of the buildings have been around for more than 100 years. They might be neglected, but they are still standing," Freeman said. "My bill would provide an incentive to breathe new life into these buildings – many of which are part of a community's heritage and identity.

"Repurposing an old factory or mill for retail, office or arts space, or transforming them into apartments, encourages economic development and improves the quality of life of a community."

The bipartisan legislation (H.B. 653) would establish three types of tax incentives:

- A 25% tax credit for the rehabilitation and reconstruction costs incurred by the owner.
- A business tax credit equal to the salaries and wages paid to full-time employees, up to a maximum of \$2,500 per employee for up to three years.
- The loan holder also would be eligible for a 100% tax credit, up to \$25,000 per taxable year, on interest from loans for substantial rehabilitation.

The program would be capped at \$13 million and administered by the Pennsylvania Department of Community and Economic Development.

Freeman said adaptive reuse isn't a new concept and has been successfully applied in revitalization efforts in many communities. He pointed to the number of old industrial buildings around the Lehigh Valley that have been repurposed. The Silk Mill on North 13th Street in Easton is one example of adaptive reuse of an old factory complex that has been a great success.

The bill awaits a vote by the full PA House of Representatives.

High tax-exempt communities continued from page 1...

"Many of the tax-exempt properties in our communities are significant employers and are important regional assets, but being tax exempt means they do not pay real estate taxes to their host municipality. That puts an undue burden on residential property owners in those communities who must pick up the slack," Freeman said. "A high percentage of tax-exempt properties within a municipality's borders leaves the affected community with a greatly diminished tax base, which in turn makes it difficult to provide essential services. My proposal would provide the financial compensation necessary to put these high tax-exempt property municipalities on a sounder financial footing to ensure their stability and success as a community.

"This is a sensible way for the state to help municipalities that are falling further into financial distress simply because they have significant amounts of tax-exempt properties within their boundaries. This legislation can help hundreds of communities

across our commonwealth, including those municipalities that are under the Act 47 Financially Distressed Municipalities program, college towns, county seats and municipalities that host nonprofit hospitals, as they have a high percentage of tax-exempt property."

In the Lehigh Valley, the legislation would provide significant funding to Allentown, Bethlehem, Easton, Fountain Hill and other municipalities with high percentages of tax-exempt properties.

The legislation would require each county to annually provide the state with information regarding the assessed value of tax-exempt properties. The funding formula would be based on the assessed value of those properties as if they were taxable. No municipality would receive more than 10% of the total revenue in the fund, and property owned by the municipality itself would not be eligible for compensation.

The bill awaits a vote by the full PA House of Representatives.

PA House passes Freeman bill to create state poet laureate

Pennsylvania would have an official poet laureate under legislation that passed the state House of Representatives in June, according to the bill's sponsor, state Rep. Robert Freeman.

"Poetry is a literary art form widely celebrated by the United States and 47 states by designating an official poet laureate. Gov. Robert Casey appointed Samuel Hazo by executive order as Pennsylvania Poet Laureate in 1993, but the position has since effectively lapsed," Freeman said.

"Many local governments in the commonwealth, including Philadelphia, York, and Erie County, honor their local poets by designating them poet laureates. Through creating the position

of Pennsylvania Poet Laureate, we would recognize important contemporary contributors to the literary arts and promote our commonwealth's cultural heritage."

Freeman's legislation (H.B. 2308) would create the official position of Pennsylvania Poet Laureate and establish a selection process where a committee would send a list of nominees to the governor to make a final decision.

The Pennsylvania Poet Laureate, an unpaid position, would serve at official functions, such as reading a poem at the governor's inauguration.

The bill was referred to the Senate State Government Committee.

Freeman provision to help craft breweries, distilleries becomes law

Craft breweries and distilleries in Pennsylvania that provide on-premises consumption can remain open past midnight on New Year's Eve and one other designated day a year, under a provision of a new state law, according to state Rep. Robert Freeman.

"Pennsylvania features over 500 craft breweries producing a total of more than 3 million barrels per year, each contributing its precise taste to the state's brewing narrative," Freeman said. "Adding this flexibility to operating hours enables these businesses to remain competitive during the New Year's holiday and allows for late hours if they are holding a special event during the year."

Freeman authored the language to assist breweries and distilleries as part of H.B. 2150, which passed the state House of Representatives in May. The language from that bill was inserted by the state Senate into H.B. 829, legislation that would make numerous changes to the state Liquor Code. In July, Gov. Josh Shapiro signed the bill into law as Act 57 of 2024.

Under the new state law, craft breweries and distilleries that provide on-premises consumption can remain open past midnight on New Year's Eve until 2 a.m. on New Year's Day. The businesses also can apply for a one-time-use permit to remain open until 2 a.m. on one other day of their choosing during the year. Previously, they were only allowed to provide sales until midnight Monday through Saturday and 11 p.m. on Sundays.

"Unlike the impersonal nature of heavily produced beers, craft breweries frequently emphasize community involvement and aid. This experience of belonging extends past the brewing technique, fostering a connection between brewers and purchasers. Brewery excursions, tastings, and occasions similarly enlarge the community experience, supplying structures for breweries to showcase their creations and for beer fans to discover new flavors. The Weyerbacher Brewing Co. and Two Rivers Brewing Co., both located in my hometown of Easton, have been trailblazers in introducing unique beers to the Pennsylvania craft beer scene for some time," Freeman said.

Affordable home ownership continued from page 1...

"Lease-to-purchase programs can also contribute to neighborhood stabilization, providing a means for low-income families to build wealth through equity in their house and bringing the stability and investment associated with home ownership to neighborhoods experiencing the potential negative effects associated with a lack of owner-occupied properties."

Under Freeman's legislation, the Pennsylvania Housing Finance Agency would administer the program, which would specify the dates within which the option to purchase may be exercised, the amount of the purchase price, estimated closing costs, and the percentage of the purchase price needed for downpayment. The bill also includes protections for lessor liability, prohibited contract provisions designed to protect the lessee, and a process for reinstating the agreement should default occur at some point. To be eligible for the program, the applicant's household income would have to be at or below 100% of the area median income. Further, at least 30% of program funds would be allocated for lease-to-purchase housing projects that benefit households with incomes that are less than 80% of the median area income.

"This critical measure would help to expand access to affordable home ownership and assist local governments with revitalizing neighborhoods throughout the commonwealth," Freeman said.

House Bill 1922 was referred to the House Housing and Community Development Committee.



In April, Gov. Josh Shapiro signed Rep. Robert Freeman's H.B. 1234 into law as Act 3 of 2024. The new law gives cities the option of being able to hire a professional firm to carry out the functions of a city administrator, rather than an individual being hired for the job.



Speaker of the House Joanna McClinton greeted Rep. Robert Freeman's intern Tavleen Rahal during her visit to the chamber of the House of Representatives.

Freeman helps to secure millions in state grants

Recognizing the importance that state funding plays for completing projects in Northampton County, Rep. Robert Freeman is adept at working through state grant programs and securing needed dollars for local endeavors. In 2024, he has helped to acquire state funding for the following:

A \$175,000 Growing Greener grant was provided for a dam removal and stream restoration project on the Bushkill Creek in Easton.

Greenways, Trails and Recreation Program grants were awarded to:

- Hellertown Borough: \$100,000 for Reinhard's Park Development Phase I.
- Easton: \$50,000 for the Two Rivers Waterfront Planning Project.

A \$50,000 Watershed Restoration Protection Program grant will be used by Palmer Township for its Fox Run Park and Open Space Schoeneck Creek Project.

A separate \$14,850 Sewage Facilities Program grant was provided to Palmer Township so that it can update the municipality's sewage disposal needs.

Easton Suburban Water Authority received a \$1.1 million grant and a \$2.2 million low-interest loan to replace lead or galvanized steel lines in Easton's eastern South Side and western South Side.

Easton was awarded \$176,000 on behalf of the Stewart Silk Mill Redevelopment Co. to purchase medical exam equipment to

outfit The Mill at Easton; and the city will use a separate \$10,000 grant to construct a new weather shade over the Scott Park Amphitheater.

The Easton Redevelopment Authority will use its \$25,000 grant to create a dog park in the northernmost portion of Scott Park near the Northampton Street bridge in Easton.

Freemansburg was awarded \$185,000 to build a seating area for its outdoor amphitheater located in Gerald C. Yob Community Park.

Hellertown was awarded two grants totaling \$160,501, on behalf of Dewey Fire Co. #1, for stormwater improvements to the fire company property.

Lower Saucon Township received a \$99,199 grant for improvements to the Southeastern Park playground.

Palmer Township was awarded \$75,000 on behalf of Suburban EMS, to purchase a new ambulance.

West Easton received a \$50,000 grant to purchase two public works vehicles.

Wilson received a \$25,000 grant to help purchase a new bucket truck with lift.

Fire Company and Emergency Medical Services Grant Program grants were awarded to:

- City of Easton Fire Department: \$16,951.
- Dewey Fire Co. No. 1: \$16,562.

- Easton Emergency Squad: \$10,000.
- Freemansburg Fire Co. No. 1: \$14,617.
- Palmer Municipal Fire Department: \$16,951.
- Suburban EMS Inc.: \$14,725.
- West Easton Volunteer Fire Co. No. 1: \$13,839.
- Williams Township Fire Co. No. 1: \$14,812.
- Wilson Borough Fire Department: \$16,951.

Commonwealth Financing Authority Multimodal Transportation Fund grants were provided to:

- \$350,000 to Freemansburg Borough for Phase II of Main Street safety improvements.
- \$194,223 to Easton for safety improvements on two intersections along Knox Avenue.
- \$50,000 to Wilson Borough for streetscape improvements to South 20th Street.

A revitalization project in Easton's South Side that will include four affordable housing units and will restore a prominent corner commercial space on the Berwick Street corridor was approved for \$600,000 via the commonwealth's Mixed-Use Development Tax Credit and the Community Revitalization Fund Program.

PA House OKs Freeman bill regarding earlier campaign finance reports

In April, the PA House of Representatives passed legislation written by Rep. Robert Freeman that would require state House and Senate candidates to file campaign expense reports at more frequent intervals to create a more transparent reporting process during an election year.

"Voters should have access to the list of a candidate's contributors earlier in a campaign than they currently do, and my legislation would provide earlier disclosure and greater transparency," Freeman said.

Freeman's H.B. 1220 would require

candidates for the Pennsylvania General Assembly to file additional campaign expense reports on or before the sixth Tuesday before the election, matching the campaign expense report filing requirement of candidates for statewide office.

State House and Senate candidates are currently only required to file on the second Friday before the election, which is just 10 days before the election.

"That filing comes so close to the election that the information about where a candidate is getting contributions from

tends to get lost in the last week of campaign literature and other information. This earlier report would allow voters to see who is backing which candidates and what they stand for, or more importantly, who they stand with," Freeman said.

Freeman said it would have an added benefit for candidates since the last filing period before the election would end up being shorter, as it would cover less time than what is currently required.

The legislation was referred to the Senate State Government Committee.

Personal Notes...

Focus on Education



Dear Friends,

The state budget is always the most encompassing policy document that the Pennsylvania General Assembly takes up every year. It appropriates funding for the various departments of state government and the programs that those departments oversee. Appropriations are made for both recurring essential programs as well as new initiatives that speak to the emerging priorities of the day. By far one of the largest priorities is funding education.

Providing for education is one of the most significant responsibilities of Pennsylvania state government. In fact, our state's constitution specifically lists "providing for a through and efficient system of public education" as one of state government's main obligations. For years the funding formula for basic education was recognized as falling short of meeting this constitutional mandate. Level up Funding in recent budgets helped to target underfunded school districts for more assistance, but even that infusion of dollars did not fully address the imbalance in the state's funding formula. Finally, a recent Commonwealth Court case determined that the current system of funding was unconstitutional and must be addressed.

Last year the Basic Education Funding Commission (BEFC) was formed. Its findings resulted in a report released earlier this year illustrating the \$5.1 billion inequity some school districts and taxpayers face after decades of

inadequate funding by the General Assembly and outlined a seven-year plan to ensure that we meet our constitutional obligation.

While the original budget sent to the Senate by the House included the recommendations outlined in the BEFC report, the final budget adopted by the legislature saw a smaller, more targeted approach than that outlined in the BEFC report. Nevertheless, the budget featured more than \$1 billion in new Kindergarten through 12th grade education spending without having to raise state taxes.

The basic education fair funding formula received an increase of \$225 million, which is a 2.9% increase. There was a \$100 million or 7.2% increase in Special Education Funding, an additional \$100 million for mental health and physical safety funding, as well as a \$30 million increase in Career and Technical Education (CTE). Of that increase in CTE funding, \$12.7 million or 12% was an increase in CTE subsidy with \$5 million or a 33% increase for CTE equipment grants and \$12 million for PA Smart (STEM) grants.

Funding was provided for new programing as well, with \$493 million in "adequacy supplements" to help chronically underfunded schools and an additional \$32 million in "tax equity supplements" for communities that were taxed disproportionately because of chronic underfunding. \$60 million was provided for a new "hold harmless relief" supplement for districts shortchanged because

of hold harmless, which overfunded some school districts and underfunded others. And \$100 million was allocated for new cyber charter reimbursements to school districts.

Additionally, \$100 million was provided for the Public School Facility Improvement Grant Program, a \$15 million increase in Pre-K Counts, a \$33 million increase in Early Intervention for ages 3 to 5, and \$7 million for Dual Enrollment.

Finally, cyber charter school tuition reform was provided for with an estimated \$34.5 million in savings to school districts through changes to the special education calculation by using each school districts actual special education average daily membership in place of the outdated assumption of special education students.

This year's budget made an historic investment in public education to provide school districts and their students with the resources to succeed in fulfilling their education mission of a "through and efficient system of public education." This budget invests in a better future for Pennsylvania without raising taxes and builds fairness into the Basic Education Funding formula.

Sincerely,

Bob Freeman



YOUR REPORT
from State Representative
ROBERT FREEMAN

207 Irvis Office Building
P.O. Box 202136
Harrisburg, PA 17120-2136

lpo.km.0824

My office can help you with state-related concerns

- Car registrations, special tags, disability placards, titles and driver's license applications.
- Obtaining and completing state forms of all kinds.
- Unemployment compensation, disability and workers' compensation.
- Pennsylvania state income tax questions or problems.
- Renewal of state-issued licenses or certifications.
- Property Tax/Rent Rebate forms and application assistance.
- Information on financial assistance for higher education.
- Problems or questions about the state lottery.
- PACE prescription drug cards for senior citizens.
- Tours of the state Capitol for individuals or groups.
- Information about state and local government agencies.
- Questions about the Veterans Property Tax Exemption.
- Assistance applying for Human Services: Medicaid, SNAP, CHIP, and LIHEAP.
- Any state government service or issue!



Rep. Robert Freeman received the 2023 Advocate of the Year award from the Pennsylvania News Media Association. The award recognizes his “dedicated leadership and outstanding advocacy for the Pennsylvania news media industry” and his “continuing and distinguished service in the House of Representatives on behalf of all Pennsylvanians.”