

MIDDLETOWN

County OKs tax fees for Pennswood Village

The retirement community will pay \$104,500 this year, \$95,000 next year and \$80,000 for the following 10 years.

By JENNA PORTNOY COURIER TIMES

A 400-unit Middletown retirement community doesn't have to pay property taxes anymore, but it still wants to pay the township, Bucks County and the Neshaminy School District for public services.

The county commissioners Wednesday approved a fees deal for Pennswood Village. Last year, the community paid \$104,600 in county property taxes for about 300 independent-living units at the Quakerrun development on Route 413 near the George School. This year, the community agreed to pay the county a fee of \$104,500.

Next year, the fee drops to \$95,000. For each of the following 10 years, the fee will be set at \$80,000, which represents about 77 percent of what the community's tax bill would have been by current assessments, said county solicitor Guy Matthews.

A state Supreme Court ruling granted a Carlisle life-care facility similar to Pennswood Village a tax exemption, but encouraged the facility to make payments in lieu of taxes because it still uses public services such as police and fire services.

The payment isn't required by law, but Matthews said if more institutions began to qualify for the exemption and continued to use public services, state lawmakers could change the exemption guidelines.

"I tend to think that the Legislature would be more inclined to revise the exemption criteria and they could lose their exemption," he said.

As it stands, Pennswood Village is the only community in Bucks that has applied to the county Board of Assessment for the exemption, Matthews said.

In a life-care facility, residents pay a flat fee for guaranteed medical services. This model is unusual because typically, older adults who enter a retirement community pay for additional services such as meals or medical care that they might need as they age, said Pennswood Village attorney Don Marshall.

At the same time Pennswood applied for the exemption, it offered steppeddown payments in lieu of taxes to the township, county and school district.

"If you take a significant amount of revenue out of their budget, it would have a deleterious effect," Marshall said. "Pennswood is a very significant taxpayer."

The school district is taking the largest financial hit. It received about \$678,500 in taxes last year. In November, the school board approved a deal in which Pennswood Village would pay \$600,000 in 2008-09, \$500,000 in the following year and \$400,000 in each of the following 10 years.

The Middletown supervisors have yet to approve a fee schedule in lieu of township taxes. Last year, the community paid the township about \$64,900 in taxes.

Since opening in 1980, Pennswood Village has paid property taxes on its 314 independent-living units but has been exempt from paying property taxes on its 41 assisted-living and 50 skilled nursing units.

The court ruled that a "purely public charity" — a nonprofit that meets other specific criteria — whose mission is to provide life care should be exempt from paying taxes on its residences as well as its other facilities.