

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## HOUSE BILL

No. 117

Session of  
1987

INTRODUCED BY LAUGHLIN, COWELL, LESCOVITZ, COLAFELLA, VEON AND  
LaGROTTA, FEBRUARY 2, 1987

AS REPORTED FROM COMMITTEE ON EDUCATION, HOUSE OF  
REPRESENTATIVES, AS AMENDED, FEBRUARY 23, 1987

## AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An  
2 act relating to the public school system, including certain  
3 provisions applicable as well to private and parochial  
4 schools; amending, revising, consolidating and changing the  
5 laws relating thereto," providing for special aid to school  
6 districts suffering loss of tax revenue due to ~~reorganization~~ <—  
7 ~~or~~ bankruptcy of businesses in the district.

8 The General Assembly of the Commonwealth of Pennsylvania  
9 hereby enacts as follows:

10 Section 1. The act of March 10, 1949 (P.L.30, No.14), known  
11 as the Public School Code of 1949, is amended by adding a  
12 section to read:

13 Section 2502.16. Special Aid to School Districts Suffering  
14 Loss of Tax Revenue Due to Reorganization or Bankruptcy of  
15 Businesses in District.--(a) For the school year 1985-1986 and  
16 each school year thereafter, a school district experiencing a  
17 ten percent (10%) or greater loss in revenue from real estate  
18 taxes for the support of the public schools in any one (1)  
19 school year or reasonably projecting a loss, AS DETERMINED BY <—

1 THE DEPARTMENT OF EDUCATION, TAKING INTO ACCOUNT PRIOR REAL  
2 ESTATE TAX COLLECTION RATES, of such percent of revenue  
3 following the nonpayment of such taxes when due, by reason of  
4 ~~reorganization or other~~ bankruptcy proceedings UNDER CHAPTER 7, <—  
5 11 OR 13 OF THE BANKRUPTCY CODE (11 U.S.C. § 101 ET SEQ.) by one  
6 or more businesses owning real estate within the boundaries of  
7 the public school district, shall qualify for special aid under  
8 this section.

9 (b) Such special aid shall be equal to the amount of lost  
10 revenue caused by the bankruptcy proceedings and shall be  
11 payable to the school district during the school year in  
12 question. The special aid shall be paid from undistributed basic  
13 instruction subsidy funds to the extent that such funds are  
14 available.

15 (c) Such special aid shall be payable until such time as the  
16 ~~business reorganization or other~~ bankruptcy proceedings are <—  
17 completed: Provided, however, That a school district which  
18 qualified for such special aid prior to the effective date of  
19 this section shall receive its first payment in the year this  
20 section takes effect.

21 (d) Any subsequent payments made on account of such ceased  
22 or suspended real estate taxes by such business or businesses or  
23 bankruptcy officials, either during the course of such  
24 bankruptcy proceedings or following their completion, shall be  
25 reimbursed to the Department of Education by the school district  
26 to the extent that such previously unpaid taxes have been  
27 supplanted by special aid already provided under this section.  
28 Any interest or penalties accompanying such belatedly paid taxes  
29 shall be retained by the school district to the extent that the  
30 special aid previously paid to the school district did not

1 include such interest and penalties.

2 (e) The special aid owing hereunder shall be due whenever  
3 the real estate taxes of such business or businesses in  
4 bankruptcy are unpaid as of their due date and the business or  
5 businesses in question will not certify, in writing, that such  
6 unpaid taxes will definitely be paid within sixty (60) days  
7 after their due date, and there is in fact uncertainty as to the  
8 payment of such taxes, ~~whether such uncertainty is due to~~ <—  
9 bankruptcy proceeding restrictions., ~~lack of funds or other~~ <—  
10 reasons.

11 Section 2. This act shall take effect immediately.