

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 573 Session of  
2001

INTRODUCED BY NAILOR, MUNDY, NICKOL, S. MILLER, ARMSTRONG,  
CALTAGIRONE, CLARK, FAIRCHILD, HENNESSEY, McCALL, MELIO,  
MICOZZIE, R. MILLER, READSHAW, ROSS, RUBLEY, SAYLOR,  
B. SMITH, STEELMAN, STEIL, STERN, E. Z. TAYLOR, TIGUE, VANCE,  
WILT AND YOUNGBLOOD, FEBRUARY 8, 2001

REFERRED TO COMMITTEE ON LOCAL GOVERNMENT, FEBRUARY 8, 2001

AN ACT

1 Amending Title 53 (Municipalities Generally) of the Pennsylvania  
2 Consolidated Statutes, further providing for exceptions to  
3 public referendum requirements for increasing property taxes  
4 previously reduced.

5 The General Assembly of the Commonwealth of Pennsylvania  
6 hereby enacts as follows:

7 Section 1. Section 8704(d) of Title 53 of the Pennsylvania  
8 Consolidated Statutes is amended to read:

9 § 8704. Public referendum requirements for increasing property  
10 taxes previously reduced.

11 \* \* \*

12 (d) Referendum exceptions.--The provisions of subsection (a)  
13 shall not apply to increases in the rate of tax on real property  
14 in this subsection only if the exception to the general rule  
15 under subsection (c) has been utilized, if applicable, to the  
16 maximum amount allowed:

17 (1) To respond to or recover from an emergency or

1 disaster declared pursuant to 35 Pa.C.S. § 7301 (relating to  
2 general authority of Governor) or 75 Pa.C.S. § 6108 (relating  
3 to power of Governor during emergency), only for the duration  
4 of the emergency or disaster and for the costs of the  
5 recovery from the emergency or disaster.

6 (2) To implement a court order or an administrative  
7 order from a Federal or State agency that requires the  
8 expenditure of funds that exceed current available revenues.  
9 The rate increase shall be rescinded following fulfillment of  
10 the court order or administrative order.

11 (3) To pay interest and principal on any indebtedness  
12 incurred under Subpart B (relating to indebtedness and  
13 borrowing). However, in no case may a school district incur  
14 additional debt under this paragraph, except for the  
15 refinancing of existing debt, including the payment of costs  
16 and expenses related to such refinancing and the  
17 establishment or funding of appropriate debt service  
18 reserves. The increase shall be rescinded following the final  
19 payment of interest and principal. The exception provided  
20 under this paragraph shall not be used to avoid referendum  
21 requirements to pay for costs which could not be financed by  
22 the issuance of debt under Subpart B.

23 (4) To respond to conditions that pose an immediate  
24 threat of serious physical harm or injury to the students,  
25 staff or residents of the school district until the  
26 circumstances causing the threat have been fully resolved.

27 (5) Special purpose tax levies approved by the  
28 electorate.

29 (6) To maintain per-student local tax revenue in the  
30 school district at an amount not exceeding the amount of per-

1 student local tax revenue at the level of the preceding year,  
2 adjusted for the percentage increase in the Statewide average  
3 weekly wage. This paragraph shall apply only if the  
4 percentage growth in student enrollment in the school  
5 district between the current fiscal year and the third fiscal  
6 year immediately preceding the current fiscal year exceeds  
7 10%. For the purposes of this paragraph, student enrollment  
8 shall be measured by average daily membership as defined by  
9 the act of March 10, 1949 (P.L.30, No.14), known as the  
10 Public School Code of 1949. For the purposes of this  
11 paragraph, per-student local tax revenue shall be determined  
12 by dividing local tax revenue by average daily membership.

13 (7) To offset certain revenues not available to the  
14 school district from Federal and State sources. This  
15 paragraph shall apply only when:

16 (i) a source of funding from the Federal or State  
17 government to a school district is reduced, maintained at  
18 the prior year's level or increased by a percentage that  
19 is less than the most recent percentage increase in the  
20 Statewide average weekly wage; and

21 (ii) the school district received that source of  
22 funding in each of the three preceding years.

23 Any increase in local property tax revenues under this  
24 paragraph shall not exceed the amount of revenue that would  
25 have been realized had the source of funding from the Federal  
26 or State government been increased by the most recent  
27 percentage increase in the Statewide average weekly wage.

28 \* \* \*

29 Section 2. This act shall take effect in 60 days.