

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1040 Session of  
2007

INTRODUCED BY PICCOLA, FOLMER, ORIE, RAFFERTY, WAUGH, O'PAKE AND  
D. WHITE, AUGUST 1, 2007

REFERRED TO FINANCE, AUGUST 1, 2007

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," in duties and powers of boards of  
6 school directors, further providing for tax levies and, in  
7 school finances, for one annual tax levy, for power to incur  
8 debt, for tax levy, for taxing power and for limitations on  
9 tax levy.

10 The General Assembly of the Commonwealth of Pennsylvania  
11 hereby enacts as follows:

12 Section 1. Section 507 of the act of March 10, 1949 (P.L.30,  
13 No.14), known as the Public School Code of 1949, amended April  
14 27, 1998 (P.L.270, No.46), is amended to read:

15 Section 507. General Powers; Taxation.--In order to  
16 establish, enlarge, equip, furnish, operate, and maintain any  
17 schools or departments herein provided, [or to pay any school  
18 indebtedness which any school district is required to pay, or to  
19 pay any indebtedness that may at any time hereafter be created  
20 by any school district,] or to enable [it] any school district  
21 to carry out any provisions of this act, the board of school

1 directors in each school district is hereby vested with all the  
2 necessary authority and power annually to levy and collect, in  
3 the manner [herein] provided in this act, the necessary taxes  
4 required, in addition to the annual State appropriation, and  
5 shall have, and be vested with, all necessary power and  
6 authority to comply with and carry out any or all of the  
7 provisions of this act. In the case of a school district of the  
8 first class, the duties imposed by this section shall apply to a  
9 city of the first class that is coterminous with a school  
10 district of the first class.

11 Section 2. Section 603 of the act, amended June 2, 1965  
12 (P.L.86, No.59) and September 1, 1965 (P.L.433, No.218), is  
13 amended to read:

14 Section 603. Only One Annual Tax Levy.--There shall be but  
15 one levy of school taxes made in each school district in each  
16 year, which shall be assessed, levied, and collected for all the  
17 purposes provided in this act, and shall be uniform throughout  
18 the territorial limit of each school district, except that  
19 those school taxes which school districts are empowered to levy  
20 under the authority of the act of June 25, 1947 (P.L.1145), as  
21 amended, may be levied at any time during the period authorized  
22 for the assessment and levy of any school taxes: Provided, That  
23 (1) where two or more school districts have voted to become a  
24 union school district in accordance with the provisions of this  
25 act and prior to the actual creation of the union school  
26 district, the school board members by a majority vote of all the  
27 members comprising said school boards shall assess and levy a  
28 uniform school tax in all of the districts comprising said union  
29 school district for general revenue purposes necessary to  
30 operate said union school district commencing the first day of

1 July following the vote establishing said union district, and  
2 (2) whenever hereafter a school district of the second, third,  
3 or fourth class shall be annexed to and merged in, and become a  
4 part of a school district of the first class or first class A,  
5 or shall be merged into and become a part of a school district  
6 of the first class A as a reorganized district under the  
7 provisions of Article II, subdivision (i) of this act, the board  
8 of public education of said school district of the first class  
9 or first class A shall have power to levy a special school tax  
10 on the territory which comprised said annexed and merged school  
11 district or on the territory which comprised the school district  
12 into and becoming a part of a school district of the first class  
13 A as a reorganized district, to provide for the expense and  
14 maintenance of the schools thereof from the end of the school  
15 year of said annexed and merged or merged by force of  
16 reorganization school district to the beginning of the next  
17 school year in said school district of the first class or first  
18 class A, and to provide for and pay the floating indebtedness of  
19 said annexed and merged or merged by force of reorganization  
20 school district. Said levy shall not exceed one-half of the last  
21 previous total annual millage levied by said school district of  
22 the first class or first class A.]

23 Section 3. Section 631 of the act, amended December 6, 1972  
24 (P.L.1445, No.323), is amended to read:

25 Section 631. Power to Incur Debt; Limitations.--The board of  
26 school directors in any school district may, in any year, create  
27 and incur an indebtedness against such school district and issue  
28 bonds and notes to secure the same, payable as provided by [the  
29 act of July 12, 1972 (Act No.185), known as the "Local  
30 Government Unit Debt Act,"] 53 Pa.C.S. Pt. VII, Subpt. B

1 (relating to indebtedness and borrowing) or any amendment or re-  
2 enactment thereof, for any or all of the following purposes:

3 (1) To purchase or acquire proper sites, buildings or  
4 grounds for school use, or any lands additional to any existing  
5 school sites or grounds;

6 (2) To erect, enlarge, equip or furnish any building for  
7 school use;

8 (3) To repair, remodel or rebuild any building of the school  
9 district;

10 (3.1) To lease for an extended period building facilities or  
11 portions of buildings constructed for school use and/or existing  
12 building facilities or portions of existing building facilities  
13 altered for school use;

14 (4) To purchase school buses;

15 (5) To pay any indebtedness incurred by any municipality for  
16 or on account of the school district or for school purposes, and  
17 required by this act to be assumed by the school district;

18 (6) To pay any refund of taxes decreed by an order of court;

19 (7) To refund certain bonds, as hereinafter provided;

20 (8) To fund floating indebtedness incurred for current  
21 expenses and debt service;

22 (9) To fund temporary indebtedness incurred for permanent  
23 improvements, or in anticipation of proceeds from a bond issue;

24 (10) To purchase or acquire buildings for school use.

25 The indebtedness of any school district shall never exceed  
26 fifteen (15) per centum of the last assessed valuation of  
27 property taxable for school purposes therein.

28 Section 4. Section 652 of the act, amended August 5, 1977  
29 (P.L.178, No.46), is amended to read:

30 Section 652. Tax Levy; Purposes; Limitations.--In all school

1 districts of the first class the school taxes for the following  
2 fiscal year shall be levied annually[, by the board of public  
3 education thereof,] on or after the second Monday of November  
4 and before the first Monday of December following. In all school  
5 districts of the first class A the school taxes for the  
6 following fiscal year shall be levied annually by the board of  
7 public education on or after the first Monday of December and  
8 before the end of the current fiscal year. [The board of public  
9 education thereof shall annually levy a tax on each dollar of  
10 the total assessments of all property assessed and certified for  
11 taxation in said district, which tax shall be ascertained,  
12 determined, and fixed by adding together the following:

13 (1) An amount which, with all moneys received from the  
14 Commonwealth applicable thereto, shall be sufficient to pay the  
15 minimum salaries and increments of the teaching and supervisory  
16 staff thereof as fixed and provided by law and to pay the  
17 contributions of said district to the teachers' retirement  
18 system. For the purpose of computing the amount required to pay  
19 the minimum salaries and increments fixed by law, but without  
20 otherwise limiting the rights of the district to employ teachers  
21 or other employes, (i) The number of teachers on the salary  
22 schedule of the elementary schools shall not exceed one for  
23 every thirty pupils in average daily membership in such schools,  
24 (ii) The number of teachers on the salary schedule of the junior  
25 high schools shall not exceed one for every twenty-two pupils in  
26 average daily membership in such schools, (iii) The number of  
27 teachers on the salary schedule of the senior high schools shall  
28 not exceed one for every twenty-two pupils in average daily  
29 membership in such schools, (iv) The number of teachers with  
30 salaries and increments fixed by law, on any salary schedule now

1 established or hereafter established, and not specially  
2 mentioned in this act, shall not exceed one for every twenty-two  
3 pupils in average daily membership, (v) The number of principals  
4 in the elementary schools, and the principals in charge of all  
5 other character of schools now established or hereafter  
6 established, and not specially mentioned in this act, shall not  
7 exceed one for every six hundred pupils in average daily  
8 membership in such schools, (vi) The number of principals in the  
9 junior and senior high schools shall not exceed one for every  
10 twelve hundred pupils in average daily membership in such  
11 schools, (vii) The number of supervisors in all schools shall  
12 not exceed one for every fifteen hundred pupils in average daily  
13 membership, (viii) The number of attendance officers and home  
14 and school visitors shall not exceed one for every two thousand  
15 pupils in average daily membership in all elementary and  
16 secondary schools, (ix) In all adult and extension school  
17 classes, the number of teachers shall not exceed one for every  
18 twenty pupils in average daily membership in such schools.

19 The salary and increments, fixed by law, of members of the  
20 teaching and supervisory staff whose number is not in some  
21 manner limited hereby, shall not be included within the purposes  
22 authorized by clause (1) of this section, but shall be construed  
23 and regarded as constituting expenses within the meaning of  
24 clause (3) of this section.

25 Average daily membership, as used herein, shall be based upon  
26 membership during the preceding school term.

27 (2) An amount sufficient to pay the interest on, and retire  
28 at maturity the principal of, the indebtedness of said district  
29 incurred as authorized by law.

30 (2.1) An amount sufficient to pay any rentals agreed to be

1 paid to the State Public School Building Authority or any other  
2 authority created by the General Assembly, having State-wide  
3 jurisdiction.

4 (3) An amount sufficient to pay all other expenses and  
5 requirements of said school district, which amount shall be  
6 equivalent to not less than three, nor more than five, mills on  
7 the dollar of the total assessment of all property assessed and  
8 certified for taxation therein.

9 The total annual school tax levy for all purposes in any  
10 school district of the first class shall not be more than eleven  
11 and three-quarter (11 3/4) mills on the dollar of the total  
12 assessment of all property assessed and certified for taxation  
13 in the territory constituting the district.]

14 Section 5. Section 652.1 of the act, amended November 30,  
15 2004 (P.L.1471, No.187), is amended to read:

16 Section 652.1. Taxing Power of Elected Board of Public  
17 Education of School Districts of the First Class A.--(a) The  
18 elected Board of Public Education in any school district of the  
19 first class A shall have no authority to impose real property  
20 taxes for the purposes of such school district. [as follows:

21 (1) Without ordinance and under the following statutes their  
22 reenactments and amendments, at the rates fixed therein, namely:

23 (i) (Reserved),

24 (ii) Act of June 20, 1947 (P.L.733, No.319), (Personal  
25 Property Tax),

26 (iii) Act of August 24, 1961 (P.L.1135, No.508), (Income  
27 Tax),

28 (iv) Real property tax acts:

29 Act of March 10, 1949 (P.L.30, No.14), 11.75 mills,

30 Act of November 30, 1955 (P.L.793, No.226), 1.5 mills,

Act of July 12, 1957 (P.L.837, No.386), .75 mills,  
Act of November 19, 1959 (P.L.1552, No.557), 2 mills,  
Act of October 21, 1965 (P.L.650, No.321), 1 mill,  
Act of November 26, 1968 (P.L.1098, No.340), 6 mills,  
Act of December 15, 1975 (P.L.483, No.143), 6 mills.

(2) (i) In addition to the taxing authority set forth in the act of August 24, 1961 (P.L.1135, No.508), (Income Tax), by ordinance, a tax of one per centum (1%) on wages, salaries, commissions and other earned income of individuals: Provided, however, That the total tax levied under the act of August 24, 1961 (P.L.1135, No.508) and the total tax levied under this subsection on wages, salaries, commissions and other earned income of individuals may equal but shall not exceed two per centum (2%).

(ii) A school district of the first class A located in whole or in part within a city of the second class shall share the earned income tax under this section with such city of the second class as follows: in tax year 2007, one-tenth of one per centum (0.1%) to the city; in tax year 2008, two-tenths of one per centum (0.2%) to the city; in tax year 2009 and thereafter, one-quarter of one per centum (0.25%) to the city.

(3) In addition to the taxing authority set forth in the real property tax acts referred to in section 652.1(a)(1)(iv), by ordinance a tax, sufficient to meet the school district's anticipated expenses on each dollar of the total assessment of all property assessed and certified for taxation in the territory constituting the district.

(4) In addition thereto, by ordinance on any persons, transactions, occupations, privileges, subjects and real or personal property as they shall determine not prohibited by



1 section 2 of the act of December 31, 1965 (P.L.1257, No.511),  
2 known as "The Local Tax Enabling Act" and not specifically  
3 excluded under paragraph (5) hereof; even if the ordinance  
4 imposing such tax or taxes is duplicative of the taxes  
5 enumerated in section 652.1(a)(1); but no ordinance shall  
6 authorize the imposition of a tax on the wages, salary or net  
7 income of any person not a resident of such school district.

8 (5)] (a.1) No tax of any kind may be imposed on admission to  
9 places of amusement, athletic events, motion picture theaters,  
10 occupations or occupational privilege, gross receipts of  
11 businesses, including institutions and nonprofit services, and  
12 parking, but this [paragraph] subsection shall not apply to  
13 taxes imposed on the whole volume of business transacted by  
14 retail and wholesale dealers in goods, wares and merchandise.

15 [(b) Any ordinance authorizing a tax, other than under a  
16 statute and at the rate fixed thereby, shall fix the rate  
17 thereof and provide for the levy, assessment and collection of  
18 the same.]

19 Section 6. Section 672 of the act, amended June 16, 1972  
20 (P.L.449, No.138), December 10, 1974 (P.L.914, No.302), February  
21 4, 1982 (P.L.1, No.1), June 7, 1993 (P.L.49, No.16) and December  
22 23, 2003 (P.L.304, No.48), is amended to read:

23 Section 672. Tax Levy; Limitations.--(a) In all school  
24 districts of the second, third, and fourth class, all school  
25 taxes shall be levied and assessed by the board of school  
26 directors therein, during the month of February or March or  
27 April or May or June each year, or no later than twenty days  
28 following the enactment of legislation providing the  
29 appropriation for basic education funding to be paid as a  
30 reimbursement for the preceding school year, for the ensuing

1 fiscal year, except in districts of the second class where the  
2 fiscal year begins on the first day of January, in which the  
3 school taxes shall be levied and assessed during the month of  
4 October or November of each year. [In such school districts the  
5 tax rate shall not exceed twenty-five mills on the dollar, on  
6 the total amount of the assessed valuation of all property  
7 taxable for school purposes therein. Each school district of the  
8 second, third or fourth class may also collect a per capita tax  
9 on each resident or inhabitant of such district over eighteen  
10 years of age, as herein provided.

11 (b) Boards of school directors of districts of the second,  
12 third, and fourth classes are hereby authorized to levy  
13 annually, a tax on each dollar of the total assessment of all  
14 property assessed and certified for taxation therein, (1) to pay  
15 up to and including the salaries and increments of the teaching  
16 and supervisory staff, (2) to pay rentals due any municipality  
17 authority or nonprofit corporation or due the State Public  
18 School Building Authority, (3) to pay interest and principal on  
19 any indebtedness incurred pursuant to the act of July 12, 1972  
20 (P.L.781, No.185), known as the "Local Government Unit Debt  
21 Act," or any prior or subsequent act governing the incurrence of  
22 indebtedness of the school district, which tax shall be  
23 unlimited, and (4) to pay for the amortization of a bond issue  
24 which provided a school building prior to the first Monday of  
25 July, 1959.

26 (c) The tax levied to pay salaries and increments of the  
27 teaching and supervisory staff shall not be invalidated by  
28 reason of the fact that in determining the amount to be raised  
29 by such tax for the payment of salaries and increments no  
30 deduction was made for appropriations or reimbursements paid or

1 payable by the Commonwealth to the School District which are  
2 applicable directly or indirectly to the salaries and  
3 increments. None of said taxes shall be invalidated or affected  
4 by reason of the fact that it may increase the total annual  
5 school tax levy of any school district beyond the millage fixed  
6 or limited by this section.]

7 (d) The boards of school directors of all independent school  
8 districts in which the board members are elected or appointed by  
9 court may[, annually, levy a tax as herein authorized, at the  
10 same time and in the same manner as other school districts of  
11 the same class to which such independent district belongs, in an  
12 amount which shall be sufficient with all other taxes imposed by  
13 such district to pay the expenses of such district as set forth  
14 in subsection (b) of this section and to pay all other expenses  
15 and requirements of such district: Provided, That such tax shall  
16 not be more than seventy-five (75) mills on the dollar on the  
17 total amount of the assessed valuation of all property taxable  
18 for school purposes within such district. Each such district may  
19 also] collect, annually, a per capita tax in an amount of not  
20 less than one dollar (\$1) and not more than ten dollars (\$10) on  
21 each resident or inhabitant of such district over eighteen (18)  
22 years of age.

23 [(e) The board of school directors of any school district of  
24 the third class with a coterminous boundary with a third class  
25 city may in any year levy separate and different rates of  
26 taxation for school purposes on all real estate classified as  
27 land, exclusive of the buildings thereon, and on all real estate  
28 classified as buildings on land. When real estate taxes are so  
29 levied, (1) the rates shall be determined annually by a vote of  
30 the board of school directors of a school district of the third

1 class based upon passage of the school district's annual budget,  
2 (2) the rates may be levied by a school district of the third  
3 class: Provided, That (i) the revenue obtained in the first year  
4 of the levy is not in excess of one hundred fifteen (115) per  
5 centum of the aggregate revenue which the school district  
6 collected from a levy on real estate in the prior year, and (ii)  
7 in the second and subsequent years, the school district levy on  
8 real estate shall not be in excess of the aggregate revenue  
9 which a school district is empowered to collect under existing  
10 statute, and (3) the rates levied by a school district of the  
11 third class shall be uniform as to all real estate within the  
12 classification.]

13 Section 7. Sections 672.2 and 680.1 of the act are repealed:

14 [Section 672.2. School Districts Lying in More Than One  
15 County; Tax Levy on Occupations.--(a) Any school district which  
16 lies in more than one (1) county and which levies an occupation  
17 tax, shall levy such tax uniformly upon each occupational  
18 category existing in all counties in which the district lies, at  
19 the lowest assessed valuation for each equivalent occupational  
20 category as certified to the school district by the counties in  
21 which the district lies.

22 (b) This section shall not apply to any school district  
23 which levies an occupational assessment tax on the effective  
24 date hereof unless the school district by resolution elected to  
25 be subject thereto.

26 Section 680.1. Temporary Continuance of Tax on Landfill or  
27 Resource Recovery Facilities.--Notwithstanding the provisions of  
28 the act of July 28, 1988 (P.L.556, No.101), known as the  
29 "Municipal Waste Planning, Recycling and Waste Reduction Act,"  
30 any school district that initially imposed a tax on a municipal

1 waste landfill or resource recovery facility on or before June  
2 30, 1988, but after December 31, 1987, may continue to collect  
3 such tax at the rate in effect on July 1, 1988, during the 1988-  
4 1989 school year only.]

5 Section 8. This act shall take effect July 1, 2008, or  
6 immediately, whichever is later.