

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1050 Session of 2011

INTRODUCED BY HARHAI, CALTAGIRONE, CARROLL, FREEMAN, GOODMAN,
HORNAMAN, KAVULICH, KORTZ, KOTIK, KULA, LONGIETTI, MURT,
STURLA AND YOUNGBLOOD, MARCH 8, 2011

REFERRED TO COMMITTEE ON APPROPRIATIONS, MARCH 8, 2011

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," further providing for temporary
6 special aid to school districts suffering loss of tax revenue
7 due to bankruptcy of businesses in the school district; and
8 providing for temporary special aid to school districts
9 suffering loss of payment in lieu of taxes from local
10 sources.

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

13 Section 1. Section 2502.16(f) of the act of March 10, 1949
14 (P.L.30, No.14), known as the Public School Code of 1949, added
15 October 20, 1988 (P.L.827, No.110), is amended to read:

16 Section 2502.16. Temporary Special Aid to School Districts
17 Suffering Loss of Tax Revenue Due to Bankruptcy of Businesses in
18 the School District.--* * *

19 (f) The special payments authorized by this section and
20 [section] sections 2502.10 and 2502.50 shall be paid from a
21 restricted revenue account, which is hereby established, for

1 such payments. Funds shall be transferred by the Secretary of
2 the Budget only to the extent necessary to make the payments
3 authorized by this section and [section] sections 2502.10 and
4 2502.50.

5 * * *

6 Section 2. The act is amended by adding a section to read:

7 Section 2502.50. Temporary Special Aid to School Districts
8 Suffering Loss of Payment in Lieu of Taxes From Local Sources.--

9 (a) For the school year 2010-2011 and each school year
10 thereafter, a school district that:

11 (1) experiences at least a twenty-five percent (25%) loss in
12 payment in lieu of taxes from local sources for the support of
13 the public schools in any one year due to the relocation of one
14 or more businesses within the boundaries of the public school
15 district to a location outside the boundaries of the public
16 school district; and

17 (2) has less than five percent (5%) of the district's total
18 operating budget in the estimated ending unreserved,
19 undesignated fund balance shall qualify for temporary special
20 aid under the provisions of this section for a period of two (2)
21 years as provided for in subsection (b): Provided, however, That
22 a school district that qualified for such payments prior to the
23 date of this amendatory act shall receive its first payment in
24 the year this amendatory act is enacted.

25 (b) If sufficient funds exist in the restricted revenue
26 account, such temporary special aid shall be equal to the loss
27 of total revenues provided for in subsection (a), payable to the
28 school district during the school year in which such loss due to
29 business relocation is suffered, plus an amount equal to fifty
30 percent (50%) of such amount payable to the school district

during the succeeding school year. Payments shall only be made to school districts when the total amount payable under this section is greater than five thousand dollars (\$5,000).

(1) Such temporary special aid shall be paid only once for each such business relocation under subsection (a) and only upon the condition that the school district tax rates which were in effect at the time of the business relocation are not reduced.

(2) A school district which suffered the loss in total revenue provided for in subsection (a) during the 2010-2011 or the 2011-2012 school year shall be eligible to receive its first payment of temporary special aid during the 2011-2012 school year.

(c) The special aid authorized by this section shall be paid from any funds not expended, enumerated or committed from appropriations for grants and subsidies made to the Department of Education: Provided, That no funds available from appropriations for library-related activities may be used for these payments.

(d) Nothing contained in this section shall disqualify a school district from receiving temporary special aid due to real property reassessments provided for in section 2502.10 or disqualify a school district from receiving temporary special aid due to bankruptcy of businesses in the school district provided for in section 2502.16: Provided, however, That school districts eligible for assistance under section 2502.10 or 2502.16 and which receive funds pursuant to those sections shall not qualify for temporary special aid for such revenue loss according to provisions of this section.

(e) The special payments authorized by this section, sections 2502.10 and 2502.16 shall be paid from the restricted

1 revenue account established under section 2502.16(f). Funds
2 shall be transferred by the Secretary of the Budget only to the
3 extent necessary to make the payments authorized by this section
4 and sections 2502.10 and 2502.16. If insufficient funds exist in
5 the restricted revenue account, payments shall be made on a pro
6 rata basis.

7 (f) The Secretary of the Budget shall provide to the
8 chairman and minority chairman of the Appropriations Committee
9 of the Senate and the chairman and minority chairman of the
10 Appropriations Committee of the House of Representatives
11 information concerning the appropriation from which funds have
12 been transferred and the amounts transferred. The Department of
13 Education shall have a written policy concerning the method for
14 making payments to school districts, including the date by which
15 payments shall be made each fiscal year.

16 Section 3. This act shall take effect immediately.