

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1384 Session of  
2010

INTRODUCED BY FERLO, LOGAN, COSTA, FONTANA, O'PAKE, BOSCOLA,  
TARTAGLIONE, WILLIAMS, STOUT, WOZNIAK, EARLL, STACK AND WARD,  
MAY 26, 2010

REFERRED TO FINANCE, MAY 26, 2010

AN ACT

1 Amending the act of June 27, 2006 (1st Sp.Sess., P.L.1873,  
2 No.1), entitled "An act providing for taxation by school  
3 districts, for the State funds formula, for tax relief in  
4 first class cities, for school district choice and voter  
5 participation, for other school district options and for a  
6 task force on school cost reduction; making an appropriation;  
7 prohibiting prior authorized taxation; providing for  
8 installment payment of taxes; restricting the power of  
9 certain school districts to levy, assess and collect taxes;  
10 and making related repeals," further providing for homestead  
11 and farmstead exclusions.

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

14 Section 1. Sections 341 and 342 of the act of June 27, 2006  
15 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief  
16 Act, are amended to read:

17 Section 341. Homestead and farmstead applications.

18 (a) [(Reserved).] Availability of applications.--Each school  
19 district and county assessor shall be required to make the  
20 application and instructions to designate property as homestead  
21 or farmstead property for purposes of receiving school district  
22 property tax relief under this act available to property owners.

The applications shall be made available at the administrative offices of the school district, the county assessor's office and, if one is maintained, the school district's or county assessor's Internet website. Notwithstanding any other provision of law to the contrary, applications shall be available to property owners at all times.

(b) Annual notification.--

(1) No later than 60 days prior to the application deadline in subsection (c), a board of school directors shall notify by first class mail the owner of each parcel of residential property within the district of [the existence of the school district's homestead and farmstead exclusion program, the need to file an application in accordance with 53 Pa.C.S. § 8584(a) (relating to administration and procedure) in order to qualify for the program and the application deadline] all of the following:

(i) The owner may qualify for State funds to reduce school district property taxes on the owner's primary residence.

(ii) Funds used to reduce residential property taxes are generated through taxes imposed on legalized gaming in this Commonwealth's casinos and, if applicable, earned income or personal income taxes levied by the school district.

(iii) The owner must apply for the property tax reduction by March 1 and have such application approved in order to receive the property tax reduction.

(iv) That an application can be obtained from the school district's or the county assessor's office.

(iv) The name, mailing address and Internet website

1       of the entity with which the application shall be filed.

2       (v) Failure of an owner to apply for property tax  
3       reduction funds will result in the owner being ineligible  
4       to receive property tax reduction funds for the upcoming  
5       year.

6       A school district may limit the annual notification to owners  
7       of residential property:

8             [(1)] (i) who are not currently approved; or

9             [(2)] (ii) whose approval is due to expire.

10       (2) Beginning on January 1, 2011, the Department of  
11       Community and Economic Development, each school district and  
12       each county assessor shall publicize the existence of the  
13       property tax relief program created pursuant to this act on  
14       its Internet website, if it maintains such a website. The  
15       website, at a minimum, shall provide the information required  
16       under paragraph (1).

17       (c) Application deadline.--In accordance with 53 Pa.C.S. §  
18       8584(b), the deadline for filing an application with the  
19       assessor shall be March 1.

20       (d) Action on application.--Real property for which an  
21       application has been filed by the application deadline shall be  
22       deemed to be a homestead or farmstead property which is eligible  
23       for a homestead or farmstead exclusion unless the assessor  
24       denies the application. Denials of application by the assessor  
25       and the right to appeal that decision shall be in accordance  
26       with 53 Pa.C.S. § 8584(d) and (e).

27       (e) Application review and submission.--Except as set forth  
28       in 53 Pa.C.S. § 8584(j), an assessor shall not require the owner  
29       of a previously approved property to resubmit an application  
30       more than one time every [three] five years.

1 (f) Applicability.--The provisions of 53 Pa.C.S. § 8584(f),  
2 (g), (h) and (j) shall apply to any application filed under this  
3 section.

4 (g) Duties of assessors.--

5 (1) The assessor shall mail to the owner of property for  
6 which an application has been submitted and approved or  
7 denied under this section notice of such fact no later than  
8 30 days after receipt of the application.

9 (2) (i) The assessor shall notify, in writing, the  
10 owner of any homestead or farmstead property designated  
11 as such under any other statute of the need, if any, to  
12 resubmit an application to maintain the property's  
13 eligibility as a homestead or farmstead property.

14 (ii) Nothing in this paragraph shall be construed to  
15 prohibit a county assessor from designating property  
16 previously determined to be homestead property under any  
17 other statute as homestead or farmstead property for  
18 purposes of this section.

19 (3) The assessor shall provide each school district and  
20 the Department of Community and Economic Development with a  
21 certified report, as provided in 53 Pa.C.S. § 8584(i), no  
22 later than May 1.

23 (4) The assessor shall publicize the existence of the  
24 school district property tax reduction program created  
25 pursuant to this act on its Internet website in accordance  
26 with subsection (b)(2).

27 (5) In addition to the requirements of this section, the  
28 assessor shall make applications available to property owners  
29 at the office of the assessor on its Internet website.

30 (6) No later than November 1 of each year, the assessor

1 shall submit an official copy of its application to the  
2 Department of Community and Economic Development, which shall  
3 post the application on its Internet website.

4 (h) Uniform application and instructions.--[The application]

5 (1) The Department of Community and Economic Development  
6 shall develop the application and instructions to be used by  
7 county assessors to designate property as homestead or  
8 farmstead property for purposes of receiving school district  
9 property tax relief. The application and instructions shall  
10 [be uniform and shall include instructions for completing the  
11 application. The Department of Community and Economic  
12 Development shall develop a uniform application and  
13 instructions to be used by county assessors and shall publish  
14 the uniform application and instructions no later than 15  
15 days after the effective date of this section. Nothing in  
16 this subsection shall be construed to require the department  
17 to develop and publish the uniform allocation and  
18 instructions if the department did so during calendar year  
19 2004.]:

20 (i) be uniform in each county throughout this  
21 Commonwealth;

22 (ii) clearly state that the application must be  
23 submitted by the property owner in order for the property  
24 owner to be eligible for a school district property tax  
25 reduction;

26 (iii) inform the property owner that funds used to  
27 reduce residential property taxes under this act are  
28 generated through taxes imposed on legalized gaming in  
29 this Commonwealth's casinos and, if applicable, earned  
30 income or personal income taxes levied by the school

district;

(iv) advise the property owner that he must apply for the property tax reduction by March 1 of each year and have such application approved in order to receive the property tax reduction;

(v) inform the property owner of the name, mailing address and Internet website of the entity with which the application shall be filed; and

(vi) inform the property owner that failure of an owner to apply for property tax reduction funds will result in the owner being ineligible to receive property tax reduction funds for the upcoming year.

(2) The Department of Community and Economic Development shall publish the uniform application and instructions required under paragraph (1) in the Pennsylvania Bulletin and on its Internet website no later than 30 days after the effective date of this paragraph.

(i) Prohibitions.--A county shall not require an application fee for the filing or review of an application submitted under this section or under 53 Pa.C.S. § 8584(a).

(j) Applications previously filed.--An application filed between September 3, 2004, and the effective date of this section shall be used to qualify an applicant for the program.

Section 342. Homestead and farmstead exclusion process.

Each fiscal year in which a school district imposes a tax authorized under section 321 or receives a property tax reduction allocation from gaming tax revenues pursuant to Chapter 5, the district shall calculate a homestead and farmstead exclusion for the purpose of reducing school district property taxes. The school district shall adopt a resolution

1 implementing the homestead and farmstead exclusion no later than  
2 the last day of the fiscal year immediately preceding the fiscal  
3 year in which the homestead and farmstead exclusions shall take  
4 effect.

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

6 Section 342.1. Acknowledgment of receipt of funds from Property  
7 Tax Relief Fund.

8 Upon receipt of notice from the department of the amount of  
9 the school district's property tax allocation pursuant to  
10 section 505(a)(4), and prior to adoption of the resolution  
11 required under section 342 or a final budget for the upcoming  
12 fiscal year, the governing body of each school district shall  
13 adopt a separate resolution setting forth all of the following:

14 (1) The amount of the school district's property tax  
15 reduction allocation.

16 (2) The amount each qualified homestead and farmstead  
17 property owner will receive in school district property tax  
18 relief from State gaming revenue based on the amount of the  
19 school district's allocation identified in paragraph (1).

20 (3) An estimate of the amount of additional property tax  
21 relief to be received by the property owner based on any  
22 earned income tax or personal income tax levied by the school  
23 district, if applicable.

24 Section 3. Section 343 of the act is amended to read:

25 Section 343. School district tax notices.

26 (a) Tax notice.--A [school district that implements  
27 homestead and farmstead exclusions shall itemize the homestead  
28 and farmstead exclusion on tax bills sent to homestead and  
29 farmstead owners, indicating the original amount of tax  
30 liability, the amount of the exclusion and the net amount of tax

1 due after the exclusion is applied. The tax bill shall be easily  
2 understandable and include a notice pursuant to subsection (b).]  
3 school district tax bill sent to a homestead or farmstead  
4 property owner shall include an itemized list of the following  
5 information:

6 (1) The property owner's tax liability.

7 (2) The property owner's assessment.

8 (3) The amount that the property owner's assessment has  
9 been reduced as a result of a homestead and farmstead  
10 exclusion.

11 (4) The amount of property tax relief received by the  
12 property owner for the fiscal year from proceeds from  
13 legalized gaming within this Commonwealth as certified under  
14 section 342.1(2).

15 (5) The estimated amount of property tax relief received  
16 by the property owner for the fiscal year from revenues on  
17 any earned income tax or personal income tax levied by the  
18 school district, if applicable, as certified under section  
19 342.1(3).

20 (6) The dollar amount of any millage rate increase  
21 adopted by the governing body for the upcoming fiscal year.

22 The tax bill shall be easily understandable and include a notice  
23 pursuant to subsection (b).

24 (b) Notice of property tax relief.--[A school district that  
25 implements homestead and farmstead exclusions] Each school  
26 district shall include with the homestead or farmstead owner's  
27 tax bill a notice that the [tax bill includes a homestead or  
28 farmstead exclusion] individual has received property tax relief  
29 generated through taxes imposed on legalized gaming in this  
30 Commonwealth's casinos and, if applicable, earned income taxes



1 levied by the school district. The notice shall at a minimum  
2 take the following form:

3 NOTICE OF PROPERTY TAX RELIEF

4 Your enclosed tax bill includes a tax reduction [for your  
5 homestead and/or farmstead property. As an eligible homestead  
6 and/or farmstead property owner, you have received tax relief  
7 through a homestead and/or farmstead exclusion] which has been  
8 provided under the Pennsylvania Taxpayer Relief Act, a law  
9 passed by the Pennsylvania General Assembly designed to reduce  
10 your property taxes through taxes imposed on legalized gaming in  
11 this Commonwealth's casinos and earned income or personal income  
12 taxes levied by the school district. To date, you have received  
13 \$ \_\_\_\_\_ in property tax relief through taxes imposed on legalized  
14 gaming in this Commonwealth's casinos. However, this amount does  
15 not reflect any property tax increases imposed by the board of  
16 school directors during that same period.

17 Section 4. This act shall take effect in 60 days.