

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 841 Session of
1999

INTRODUCED BY CIVERA, MARKOSEK, CAWLEY, LAUGHLIN, McCALL, DALEY,
PESCI, BELFANTI, GANNON, READSHAW, TRELLO, RAYMOND, STABACK,
HARHAI, SERAFINI, HORSEY, ADOLPH AND SEMMEL, MARCH 10, 1999

REFERRED TO COMMITTEE ON APPROPRIATIONS, MARCH 10, 1999

AN ACT

1 Providing for the utilization of certain litigation settlements
2 for the purpose of school district real estate tax reduction;
3 imposing powers and duties on the Department of Education;
4 and requiring annual reports by school districts.

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

7 Section 1. Short title.

8 This act shall be known and may be cited as the School Real
9 Estate Tax Reduction Act.

10 Section 2. Definitions.

11 The following words and phrases when used in this act shall
12 have the meanings given to them in this section unless the
13 context clearly indicates otherwise:

14 "Account." The School Real Estate Tax Reduction Account
15 established under section 3.

16 "Department." The Department of Education of the
17 Commonwealth.

18 "Tobacco settlement agreement." The master settlement

1 agreement relating to tobacco litigation entered into in 1998 by
2 the Commonwealth and leading United States tobacco product
3 manufacturers.

4 Section 3. Use of tobacco settlement agreement funds.

5 (a) General rule.--All moneys received by the Commonwealth
6 under the tobacco settlement agreement shall be distributed to
7 and used by school districts to reduce the rate of taxation
8 imposed on real estate by the school districts.

9 (b) Deposit on moneys.--There is hereby established within
10 the General Fund a restricted receipts account to be known as
11 the School Real Estate Tax Reduction Account. All moneys
12 received by the Commonwealth under the tobacco settlement
13 agreement shall be deposited into the School Real Estate Tax
14 Reduction Account.

15 (c) Appropriation.--All moneys in the School Real Estate Tax
16 Reduction Account are hereby appropriated to the department
17 subject to annual approval by the Governor and may be expended
18 only for the purposes authorized under this act.

19 (d) Expenditures from account.--The department shall
20 annually submit to the Governor, for approval or disapproval,
21 estimates of the amount of moneys to be expended from the
22 account. The State Treasurer shall not honor any requisition for
23 expenditure of any moneys in excess of the amount approved by
24 the Governor.

25 (e) Interest earnings.--All interest earnings attributable
26 to moneys in the School Real Estate Tax Reduction Account shall
27 be deposited in the account.

28 Section 4. Reports by school districts.

29 (a) Date and content of report.--On or before the first day
30 of April of 2000 and of each year thereafter, each school

1 district shall submit to the department:

2 (1) The real estate tax rate for its current fiscal
3 year.

4 (2) The total real estate tax receipts for its last
5 completed fiscal year.

6 (3) Any adjustment to the tax rates or total tax
7 receipts previously reported under paragraph (1) or (2).

8 (b) Failure to report.--If a school district shall fail to
9 file the report required by subsection (a) by the date
10 prescribed or within any extension granted by the department,
11 that school district shall forfeit its right to share in the
12 next-ensuing distribution made under section 5.

13 Section 5. Distribution to school districts.

14 (a) Use of reports.--The department shall determine from the
15 reports filed under section 4:

16 (1) The total real estate tax receipts for each school
17 district within this Commonwealth.

18 (2) The total real estate tax receipts for all school
19 districts within this Commonwealth.

20 (b) Distribution determination.--On or before the first day
21 of July of 2000 and of each year thereafter, the department
22 shall distribute to each reporting school district its share of
23 the School Real Estate Tax Reduction Account. Each school
24 district share shall be the ratio which the total real estate
25 tax receipts of the school district bear to the total real
26 estate tax receipts of all the reporting school districts.

27 (c) Requisitions.--For the purpose of making payment, the
28 department shall make requisition in the manner prescribed by
29 the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal
30 Code.

1 Section 6. Powers and duties of department.

2 The Department of Education shall be responsible for the
3 administration and implementation of this act. The department
4 shall promulgate regulations necessary to implement this act.

5 Section 7. Use of moneys distributed.

6 Each school district which receives a distribution under this
7 act may only use that money for the purpose of reducing the rate
8 of taxation imposed on real estate within that school district.

9 Section 8. Effective date.

10 This act shall take effect immediately.