

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1600 Session of 2007

INTRODUCED BY LEVDANSKY, SCAVELLO, SIPTROTH, McCALL, DeWEESE, KESSLER, SEIP, GALLOWAY, GIBBONS, PEIFER, SANTONI, VULAKOVICH, YOUNGBLOOD, BEYER, BIANCUCCI, BRENNAN, BUXTON, CALTAGIRONE, CARROLL, CURRY, DePASQUALE, DERMODY, GERGELY, GILLESPIE, GOODMAN, HALUSKA, HERSHEY, HORNAMAN, KORTZ, KOTIK, MACKERETH, MAHONEY, R. MILLER, PETRONE, PRESTON, READSHAW, K. SMITH, STABACK, SURRA, THOMAS, WALKO, YUDICHAK, RAMALEY, GRUCELA AND MOYER, JULY 17, 2007

AS AMENDED, HOUSE OF REPRESENTATIVES, JANUARY 29, 2008, AND RE-REPORTED FROM COMMITTEE ON FINANCE, AS AMENDED, JULY 3, 2008

AN ACT

1 ~~Providing for supplemental State funded tax relief; and~~ <—
2 ~~establishing the Personal Income Tax Surcharge Fund.~~
3 PROVIDING FOR THE ELIMINATION OF PROPERTY TAX FOR OLDER <—
4 PENNSYLVANIANS, FOR A ONE-YEAR CAP ON REAL PROPERTY TAX
5 INCREASES FOR SCHOOL PROPERTY TAX PURPOSES AND FOR THE
6 ELIMINATION OF AUTHORITY TO LEVY REAL PROPERTY TAXES FOR THE
7 SUPPORT OF PUBLIC SCHOOLS; IMPOSING ADDITIONAL DUTIES ON THE
8 DEPARTMENT OF EDUCATION; PROVIDING FOR THE TRANSFER OF
9 CERTAIN FUNDS; AND MAKING RELATED REPEALS.

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

12 ~~CHAPTER 1~~ <—

13 ~~PRELIMINARY PROVISIONS~~

14 ~~Section 101. Short title.~~

15 ~~This act shall be known and may be cited as the Supplemental~~
16 ~~Homeowner Property Tax Relief Act.~~

17 ~~Section 102. Definitions.~~

18 ~~The following words and phrases when used in this act shall~~

1 ~~have the meanings given to them in this section unless the~~
2 ~~context clearly indicates otherwise.~~

3 ~~"Allocation maximum." A numerical value of 0.15.~~

4 ~~"Allocation minimum." A numerical value of 0.12.~~

5 ~~"Average daily membership." As used in the act of March 10,~~
6 ~~1949 (P.L.30, No.14), known as the Public School Code of 1949.~~

7 ~~"Department." The Department of Education of the~~
8 ~~Commonwealth.~~

9 ~~"Equalized millage." The term shall have the same usage as~~
10 ~~defined in section 2501(9.2) of the act of March 10, 1949~~
11 ~~(P.L.30, No.14), known as the Public School Code of 1949.~~

12 ~~"Farmstead." As defined in 53 Pa.C.S. § 8582 (relating to~~
13 ~~definitions).~~

14 ~~"Fund." The Personal Income Tax Surcharge Fund.~~

15 ~~"Homestead." As defined in 53 Pa.C.S. § 8401 (relating to~~
16 ~~definitions).~~

17 ~~"Real property tax liability." The assessed value of the~~
18 ~~real property of the taxpayer multiplied by the millage rate of~~
19 ~~the school district.~~

20 ~~"School district." A school district of the first class,~~
21 ~~first class A, second class, third class or fourth class.~~

22 ~~"School district of the first class." Includes the governing~~
23 ~~body of a city of the first class.~~

24 ~~"Secretary." The Secretary of the Budget of the~~
25 ~~Commonwealth.~~

26 ~~"Tax Reform Code." The act of March 4, 1971 (P.L.6, No.2),~~
27 ~~known as the Tax Reform Code of 1971.~~

28 ~~"Taxpayer." A person required to pay a real property tax.~~

29 ~~"Taxpayer Relief Act." The act of June 27, 2006 (1st~~
30 ~~Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief Act.~~

1 CHAPTER 3

2 PERSONAL INCOME TAX SURCHARGE FUND

3 Section 301.—Establishment.

4 There is hereby established in the State Treasury a
5 restricted receipts account to be known as the Personal Income
6 Tax Surcharge Fund.

7 Section 302.—Nonlapse.

8 The money in the fund is continuously appropriated to the
9 fund and shall not lapse at the end of any fiscal year.

10 CHAPTER 5

11 STATE TAXATION

12 Section 501.—Sales and use surtax.

13 In addition to the tax imposed under Article II of the Tax
14 Reform Code, there shall be a surtax equal to .5% imposed on the
15 purchase price of property and services subject to taxation
16 under Article II of the Tax Reform Code. The surtax shall be in
17 addition to the tax imposed under Article II of the Tax Reform
18 Code.

19 Section 502.—Construction.

20 The sales and use surtax imposed by this chapter shall be in
21 addition to any tax imposed under Article II of the Tax Reform
22 Code. The provisions of Article II of the Tax Reform Code shall
23 apply to the definitions, imposition and implementation of the
24 surtax.

25 Section 503.—Computation of sales and use tax.

26 Within 30 days of the effective date of this section, the
27 Department of Revenue shall establish a schedule for the
28 computation of the State sales and use tax and the State sales
29 and use surtax as established under this chapter. The Department
30 of Revenue shall publish the schedule providing for the

1 ~~computation of the State sales and use tax and the State sales~~
2 ~~and use surtax in the next succeeding publication of the~~
3 ~~Pennsylvania Bulletin following establishment of the schedule.~~
4 ~~Section 504. Personal income surtax.~~

5 ~~In addition to the tax imposed under Article III of the Tax~~
6 ~~Reform Code, there shall be a surtax equal to 0.22% imposed on~~
7 ~~the taxable income of resident and nonresident individuals as~~
8 ~~provided for under Article III of the Tax Reform Code. The~~
9 ~~surtax shall be in addition to the tax imposed under Article III~~
10 ~~of the Tax Reform Code.~~

11 ~~Section 505. Construction.~~

12 ~~The personal income surtax imposed by this chapter shall be~~
13 ~~in addition to any tax imposed under Article III of the Tax~~
14 ~~Reform Code. The provisions of Article III of the Tax Reform~~
15 ~~Code shall apply to the definitions, imposition and~~
16 ~~implementation of the surtax.~~

17 ~~Section 506. Notification of personal income surtax.~~

18 ~~The Department of Revenue shall publish the personal income~~
19 ~~tax rate along with the personal income surtax rate in the next~~
20 ~~succeeding publication of the Pennsylvania Bulletin following~~
21 ~~the effective date of this section.~~

22 ~~Section 507. Transfer to fund.~~

23 ~~(a) Personal income surtax revenues. Within 30 days of the~~
24 ~~close of any calendar month, all revenue generated in the~~
25 ~~previous month from the personal income surtax imposed under~~
26 ~~this chapter shall be transferred to the fund.~~

27 ~~(b) Sales and use surtax revenues. Within 30 days of the~~
28 ~~close of any calendar month, all revenue generated in the~~
29 ~~previous month from the sales and use surtax imposed under this~~
30 ~~chapter shall be transferred to the Property Tax Relief Fund~~

1 ~~established in the State Treasury.~~

2 ~~CHAPTER 7~~

3 ~~FORMULA~~

4 ~~Section 701. Certification.~~

5 ~~(a) Initial. By February 15, 2008, the secretary shall~~
6 ~~certify the total amount of revenue that is reasonably projected~~
7 ~~to be deposited into the fund for the period through June 30,~~
8 ~~2009.~~

9 ~~(b) Annual. Beginning by February 15, 2009, and each~~
10 ~~February 15 thereafter, the secretary shall certify the total~~
11 ~~amount of revenue that is reasonably expected to be deposited~~
12 ~~into the fund during the immediately following fiscal year.~~

13 ~~(c) Excess. If the actual revenue deposited into the fund~~
14 ~~in any one fiscal year exceeds the amount certified in this~~
15 ~~section, any revenue in excess of projections shall remain in~~
16 ~~the fund and shall be included in the certification for the~~
17 ~~subsequent fiscal year.~~

18 ~~(d) Shortage. If the actual revenue deposited into the fund~~
19 ~~in any one fiscal year is less than the amount certified in this~~
20 ~~section, the amount certified for the subsequent fiscal year~~
21 ~~shall be reduced by the difference between the amount certified~~
22 ~~and the actual revenue deposited.~~

23 ~~Section 702. Notification.~~

24 ~~By February 20, 2008, and each February 20 thereafter, the~~
25 ~~secretary shall notify the department of the amount certified~~
26 ~~pursuant to section 701 for calculation of the allocation for~~
27 ~~each school district under section 703.~~

28 ~~Section 703. State allocation.~~

29 ~~(a) Calculation. The department shall calculate the State~~
30 ~~allocation pursuant to this chapter for each school district as~~

1 follows:

2 ~~(1) For the 2008-2009 fiscal year:~~

3 ~~(i) Multiply the school district's 2005-2006 average~~
4 ~~daily membership by the school district's 2005-2006~~
5 ~~equalized millage.~~

6 ~~(ii) Multiply the product under subparagraph (i) by~~
7 ~~the dollar amount necessary to allocate all of the money~~
8 ~~in the fund as certified under section 701.~~

9 ~~(iii) If the allocation under this paragraph is less~~
10 ~~than the product of the residential property taxes~~
11 ~~collected during the 2005-2006 fiscal year and the~~
12 ~~allocation minimum for a school district, the school~~
13 ~~district shall receive an additional amount so that the~~
14 ~~total allocation under this paragraph is equal to the~~
15 ~~product of the residential property taxes collected~~
16 ~~during the 2005-2006 fiscal year and the allocation~~
17 ~~minimum.~~

18 ~~(iv) If the allocation under this paragraph is~~
19 ~~greater than the product of the residential property~~
20 ~~taxes collected during the 2005-2006 fiscal year and the~~
21 ~~allocation maximum for a school district, the school~~
22 ~~district shall receive a total allocation equal to the~~
23 ~~product of the residential property taxes collected~~
24 ~~during the 2005-2006 fiscal year and the allocation~~
25 ~~maximum.~~

26 ~~(2) For subsequent fiscal years:~~

27 ~~(i) Multiply the school district's average daily~~
28 ~~membership for the third fiscal year immediately~~
29 ~~preceding the fiscal year for which the allocation is~~
30 ~~being made by the school district's equalized millage for~~

1 ~~the third fiscal year immediately preceding the fiscal~~
2 ~~year for which the allocation is being made.~~

3 ~~(ii) Multiply the product under subparagraph (i) by~~
4 ~~the dollar amount necessary to allocate all of the money~~
5 ~~in the fund as certified under section 701.~~

6 ~~(iii) If the allocation under this paragraph is less~~
7 ~~than the product of the residential property taxes~~
8 ~~collected during the third fiscal year immediately~~
9 ~~preceding the fiscal year for which the allocation is~~
10 ~~being made and the allocation minimum for a school~~
11 ~~district, the school district shall receive an additional~~
12 ~~amount so that the total allocation under this paragraph~~
13 ~~is equal to the product of the residential property taxes~~
14 ~~collected during the third fiscal year immediately~~
15 ~~preceding the fiscal year for which the allocation is~~
16 ~~being made and the allocation minimum.~~

17 ~~(iv) If the allocation under this paragraph is~~
18 ~~greater than the product of the residential property~~
19 ~~taxes collected during the third fiscal year immediately~~
20 ~~preceding the fiscal year for which the allocation is~~
21 ~~being made and the allocation maximum for a school~~
22 ~~district, the school district shall receive a total~~
23 ~~allocation equal to the product of the residential~~
24 ~~property taxes collected during the third fiscal year~~
25 ~~immediately preceding the fiscal year for which the~~
26 ~~allocation is being made and the allocation maximum.~~

27 ~~(b) Notice. By March 15, 2008, and each March 15~~
28 ~~thereafter, the department shall notify each school district of~~
29 ~~the amount of the State allocation it is eligible to receive.~~

30 ~~(c) Payment. For each fiscal year commencing after June 30,~~

1 ~~2008, the department shall pay from the fund to each school~~
2 ~~district a State allocation, which shall be divided into two~~
3 ~~payments. The first payment, which shall be equal to 80% of the~~
4 ~~district's State allocation, shall be made on the last Thursday~~
5 ~~of August. The second payment, which shall equal the remainder~~
6 ~~of the State allocation, shall be made on the last Thursday of~~
7 ~~October.~~

8 ~~(d) Cities of the first class. The State allocation for a~~
9 ~~school district of the first class shall be paid by the~~
10 ~~department to a city of the first class for use by the city for~~
11 ~~the reimbursement of lost real property tax revenues pursuant to~~
12 ~~the act of July 2, 1996 (P.L.529, No.91), entitled "An act~~
13 ~~implementing the provisions of section 2(b)(ii) of Article VIII~~
14 ~~of the Constitution of Pennsylvania by authorizing cities of the~~
15 ~~first class to provide for special tax provisions relating to~~
16 ~~real property taxes for certain persons who meet the established~~
17 ~~standards and qualifications for age and poverty," and, in~~
18 ~~accordance with 53 Pa.C.S. § 8584 (relating to administration~~
19 ~~and procedure), to provide for homestead and farmstead~~
20 ~~exclusions.~~

21 ~~CHAPTER 9~~

22 ~~HOMESTEAD AND FARMSTEAD EXCLUSION~~

23 ~~Section 901. Homestead and farmstead exclusion process.~~

24 ~~(a) Calculation. Each year in which a school district~~
25 ~~receives a local property tax reduction allocation pursuant to~~
26 ~~this act or the Taxpayer Relief Act, the school district shall~~
27 ~~calculate a homestead and farmstead exclusion which is equal to~~
28 ~~the lesser of:~~

29 ~~(1) the maximum amount of homestead or farmstead~~
30 ~~exclusion authorized by 53 Pa.C.S. § 8586 (relating to~~

1 ~~limitations); or~~

2 ~~(2) the amount of State allocation the district is~~
3 ~~eligible to receive.~~

4 ~~(b) Resolution. The school district shall adopt a~~
5 ~~resolution implementing the homestead and farmstead exclusion~~
6 ~~calculated under subsection (a). The resolution shall state the~~
7 ~~maximum amount of homestead or farmstead exclusion an owner of a~~
8 ~~homestead or farmstead may receive. A resolution may not~~
9 ~~authorize a homestead or farmstead exclusion which exceeds the~~
10 ~~amount authorized by 53 Pa.C.S. § 8586. The requirements of this~~
11 ~~subsection shall not be construed to require more than one~~
12 ~~resolution adoption for implementing homestead and farmstead~~
13 ~~exclusions. Where such requirements exist in other acts, they~~
14 ~~shall be administered in conjunction with this subsection.~~

15 ~~Section 902. School district tax notices.~~

16 ~~(a) Tax notice. School districts shall itemize the~~
17 ~~homestead and farmstead exclusion on tax bills sent to homestead~~
18 ~~and farmstead owners, indicating the original amount of real~~
19 ~~property tax liability, the amount of the exclusion and the net~~
20 ~~amount of tax due after the exclusion is applied. The tax bill~~
21 ~~shall be easily understandable and include a notice pursuant to~~
22 ~~subsection (b).~~

23 ~~(b) Notice of property tax relief. School districts shall~~
24 ~~include with the homestead or farmstead owner's tax bill a~~
25 ~~notice that the tax bill includes a homestead or farmstead~~
26 ~~exclusion.~~

27 ~~CHAPTER 11~~

28 ~~DEBT~~

29 ~~Section 1101. Borrowing.~~

30 ~~Tax anticipation notes may be issued under Article XVI A of~~

1 ~~the act of April 9, 1929 (P.L.343, No.176), known as The Fiscal~~
2 ~~Code, in anticipation of revenue under this act which is~~
3 ~~authorized to be transferred to the fund under section 507.~~

4 CHAPTER 52

5 MISCELLANEOUS PROVISIONS

6 ~~Section 5201. Effective date.~~

7 ~~This act shall take effect as follows:~~

8 ~~(1) Sections 501, 502, 503, 504, 505 and 506 shall take~~
9 ~~effect July 1, 2008.~~

10 ~~(2) The remainder of this act shall take effect~~
11 ~~immediately.~~

12 SECTION 1. SHORT TITLE.

<—

13 THIS ACT SHALL BE KNOWN AND MAY BE CITED AS THE OLDER
14 PENNSYLVANIANS PROPERTY TAX ELIMINATION ACT.

15 SECTION 2. LEGISLATIVE INTENT AND PURPOSE.

16 (1) THE GENERAL ASSEMBLY, IN RECOGNITION OF THE POWERS
17 CONTAINED IN SECTION 2(B)(II) OF ARTICLE VIII OF THE
18 CONSTITUTION OF PENNSYLVANIA, WHICH PROVIDES FOR THE
19 ESTABLISHMENT AS A CLASS OR CLASSES OF SUBJECTS OF TAXATION
20 ON THE PROPERTY OR PRIVILEGES OF PERSONS WHO, BECAUSE OF
21 POVERTY, ARE DETERMINED TO BE IN NEED OF SPECIAL TAX
22 PROVISIONS, DECLARES AS ITS LEGISLATIVE INTENT AND PURPOSE TO
23 IMPLEMENT THAT POWER UNDER THAT CONSTITUTIONAL PROVISION BY
24 ESTABLISHING SPECIAL TAX PROVISIONS AS PROVIDED UNDER THIS
25 ACT.

26 (2) THE GENERAL ASSEMBLY, HAVING DETERMINED THAT THERE
27 ARE PERSONS WITHIN THIS COMMONWEALTH WHOSE AGES AND INCOMES
28 ARE SUCH THAT IMPOSITION OF A PROPERTY TAX ON THEM WOULD
29 DEPRIVE THEM OF THE BARE NECESSITIES OF LIFE, DEEMS IT TO BE
30 A MATTER OF PUBLIC POLICY TO PROVIDE SPECIAL TAX PROVISIONS

1 FOR THAT CLASS OF PERSONS TO RELIEVE THEIR ECONOMIC BURDEN.

2 (3) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT A ONE-
3 YEAR CAP ON SCHOOL DISTRICT REAL PROPERTY TAXES AND THE
4 ELIMINATION OF AUTHORITY TO LEVY REAL PROPERTY TAXES FOR
5 SUPPORT OF THE PUBLIC SCHOOLS IS THE MOST EFFECTIVE MEANS TO
6 PROMOTE A MORE EQUITABLE FUNDING METHOD FOR THE SUPPORT OF
7 PUBLIC EDUCATION IN THIS COMMONWEALTH.

8 SECTION 3. DEFINITIONS.

9 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL
10 HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
11 CONTEXT CLEARLY INDICATES OTHERWISE:

12 "CLAIMANT." AN INDIVIDUAL WHO SEEKS ASSISTANCE UNDER SECTION
13 5.

14 "DEPARTMENT." THE DEPARTMENT OF REVENUE OF THE COMMONWEALTH.

15 "HOUSEHOLD INCOME." ALL INCOME RECEIVED BY A CLAIMANT AND
16 THE CLAIMANT'S SPOUSE WHILE RESIDING IN THE HOMESTEAD DURING THE
17 CALENDAR YEAR FOR WHICH A REBATE IS CLAIMED.

18 "PROGRAM." THE PROPERTY TAX ASSISTANCE PROGRAM.

19 "PROPERTY TAX." A TAX LEVIED BY A SCHOOL DISTRICT ON REAL
20 PROPERTY.

21 "TAXPAYER." ANY PERSON OR ENTITY WHO OR WHICH IS SUBJECT TO
22 A LEVY ASSESSED ON REAL PROPERTY FOR THE SUPPORT OF ANY PUBLIC
23 SCHOOL DISTRICT IN THIS COMMONWEALTH.

24 SECTION 4. ADMINISTRATION.

25 THE DEPARTMENT SHALL HAVE THE FOLLOWING POWERS AND DUTIES IN
26 THE ADMINISTRATION OF THIS ACT:

27 (1) IMPLEMENTING THE PROGRAM.

28 (2) PRESCRIBING AN APPLICATION FORM UNDER SECTION
29 5(C)(1)(I).

30 (3) PROMULGATING REGULATIONS TO IMPLEMENT SECTION 5(C)

1 AND (D).

2 SECTION 4.1. ADMINISTRATION BY DEPARTMENT OF EDUCATION.

3 THE DEPARTMENT OF EDUCATION SHALL HAVE THE FOLLOWING POWERS
4 AND DUTIES:

5 (1) IN ADDITION TO ANY REPORTS REQUIRED UNDER SECTION
6 311 OF THE ACT OF JUNE 27, 2006 (1ST SP.SESS., P.L.1873,
7 NO.1), KNOWN AS THE TAXPAYER RELIEF ACT, THE DEPARTMENT SHALL
8 REQUIRE ALL SCHOOL DISTRICTS TO REPORT THE DIFFERENCE BETWEEN
9 THE REVENUES RAISED UNDER THE REAL PROPERTY TAX RATE CAP
10 ESTABLISHED UNDER SECTION 5.1(A) OF THIS ACT FOR THE FISCAL
11 YEAR 2009-2010 AND THE AMOUNT OF REVENUES THAT WOULD
12 OTHERWISE BE PERMITTED TO BE GENERATED UNDER THE PROVISIONS
13 OF THE TAXPAYER RELIEF ACT.

14 (2) CALCULATE AN AMOUNT OF MONEY NECESSARY TO DISTRIBUTE
15 TO EACH SCHOOL DISTRICT THE REVENUE NECESSARY TO MAKE UP THE
16 DIFFERENCE BETWEEN THE REVENUES RECEIVED AND THE REVENUES
17 THAT WOULD OTHERWISE BE PERMITTED TO BE GENERATED UNDER THE
18 PROVISIONS OF THE TAXPAYER RELIEF ACT. IF INSUFFICIENT FUNDS
19 EXIST TO MEET ALL THE REQUIRED COSTS, THE DEPARTMENT SHALL
20 REDUCE EACH SCHOOL DISTRICT ALLOCATION PRO RATA.

21 (3) PROVIDE FOR THE PAYMENT OF EACH SCHOOL DISTRICT'S
22 ALLOCATION UNDER PARAGRAPH (2).

23 SECTION 5. PROGRAM.

24 (A) ESTABLISHMENT.--THE DEPARTMENT SHALL ESTABLISH THE
25 PROPERTY TAX ASSISTANCE PROGRAM TO ASSIST ELIGIBLE CLAIMANTS IN
26 THE PAYMENT OF SCHOOL PROPERTY TAXES.

27 (B) ELIGIBILITY.--TO BE ELIGIBLE TO PARTICIPATE IN THE
28 PROGRAM, A CLAIMANT MUST COMPLY WITH ALL OF THE FOLLOWING:

29 (1) BE OVER 65 YEARS OF AGE.

30 (2) HAVE AN ANNUAL HOUSEHOLD INCOME OF NOT MORE THAN

1 \$40,000.

2 (3) HAVE NOT APPLIED FOR OR RECEIVED A PROPERTY TAX
3 REBATE FOR SCHOOL PROPERTY TAXES PAID PURSUANT TO CHAPTER 13
4 OF THE ACT OF JUNE 27, 2006 (1ST SP.SESS., P.L.1873, NO.1),
5 KNOWN AS THE TAXPAYER RELIEF ACT.

6 (C) APPLICATION.--THE FOLLOWING SHALL APPLY:

7 (1) TO PARTICIPATE IN THE PROGRAM, A CLAIMANT SHALL
8 SUBMIT TO THE DEPARTMENT ALL OF THE FOLLOWING:

9 (I) AN APPLICATION ON A FORM PRESCRIBED BY THE
10 DEPARTMENT ESTABLISHING ELIGIBILITY UNDER SUBSECTION (B).

11 (II) A COPY OF THE SCHOOL PROPERTY TAX BILL FOR
12 WHICH ASSISTANCE IS SOUGHT.

13 (2) THE MATERIAL UNDER PARAGRAPH (1) SHALL BE SUBMITTED
14 NO LATER THAN 30 DAYS AFTER THE ISSUANCE OF THE SCHOOL
15 PROPERTY TAX BILL UNDER PARAGRAPH (1)(II).

16 (D) DETERMINATION.--THE FOLLOWING SHALL APPLY:

17 (1) WITHIN 15 DAYS OF RECEIPT OF AN APPLICATION UNDER
18 SUBSECTION (C), THE DEPARTMENT SHALL DETERMINE IF THE
19 CLAIMANT IS ELIGIBLE OR INELIGIBLE AND SHALL NOTIFY THE
20 CLAIMANT OF ITS DETERMINATION.

21 (2) FAILURE TO COMPLY WITH THE TIME REQUIREMENT UNDER
22 PARAGRAPH (1) SHALL BE DEEMED A DETERMINATION OF
23 INELIGIBILITY.

24 (3) A DETERMINATION OF INELIGIBILITY UNDER PARAGRAPH (1)
25 OR (2) SHALL BE SUBJECT TO 2 PA.C.S. CH. 7 SUBCH. A (RELATING
26 TO JUDICIAL REVIEW OF COMMONWEALTH AGENCY ACTION).

27 (E) PAYMENT.--FOR EACH ELIGIBLE CLAIMANT, THE DEPARTMENT
28 SHALL PAY THE TAX BILL UNDER SUBSECTION (C)(1)(II) IN WHOLE FROM
29 THE PROPERTY TAX RELIEF FUND. PAYMENT SHALL BE MAILED TO THE
30 CLAIMANT AND SHALL BE MADE OUT TO THE SCHOOL DISTRICT OR THE TAX

1 COLLECTOR FOR THE SCHOOL DISTRICT, WHICHEVER APPLIES, TO WHICH
2 THE CLAIMANT IS LIABLE FOR PROPERTY TAXES.

3 SECTION 5.1. REAL PROPERTY TAX RATE CAP AND TAX AUTHORITY
4 ELIMINATION.

5 (A) TAX RATE LIMITATION.--FOR THE TAX YEAR FOR SCHOOL
6 DISTRICTS BEGINNING AFTER DECEMBER 31, 2008, NO SCHOOL DISTRICT
7 OR TAXING AUTHORITY ON BEHALF OF A SCHOOL DISTRICT SHALL HAVE
8 ANY AUTHORITY TO INCREASE THE RATE OF TAX LEVIED AND ASSESSED ON
9 REAL PROPERTY BEYOND THE RATE OF TAX IMPOSED FOR THE SCHOOL TAX
10 YEAR BEGINNING IMMEDIATELY AFTER DECEMBER 31, 2007.

11 (B) ELIMINATION OF REAL PROPERTY TAX AUTHORITY.--FOR ALL TAX
12 YEARS BEGINNING AFTER DECEMBER 31, 2009, NO SCHOOL DISTRICT AND
13 NO TAXING AUTHORITY ACTING ON BEHALF OF A SCHOOL DISTRICT SHALL
14 HAVE ANY POWER TO LEVY AND ASSESS ANY TAX ON REAL PROPERTY FOR
15 THE SUPPORT OF PUBLIC EDUCATION.

16 SECTION 6. TRANSFERS.

17 (A) ANNUAL TRANSFER.--THE STATE TREASURER MAY TRANSFER, TO
18 THE EXTENT NECESSARY, UP TO \$50,000,000 ANNUALLY FROM THE STATE
19 LOTTERY FUND ESTABLISHED BY THE ACT OF AUGUST 26, 1971 (P.L.351,
20 NO.91), KNOWN AS THE STATE LOTTERY LAW, TO THE PROPERTY TAX
21 RELIEF FUND FOR PAYMENT OF CLAIMS UNDER THIS ACT. THIS TRANSFER
22 SHALL REPRESENT THE SAVINGS TO THE PROPERTY TAX AND RENT REBATE
23 PROGRAM AS A RESULT OF ENACTMENT OF THE PROGRAM.

24 (B) SINGLE TRANSFER.--ON THE EFFECTIVE DATE OF THIS SECTION,
25 THE STATE TREASURER SHALL TRANSFER ANY MONEY IN THE PROPERTY TAX
26 RELIEF RESERVE FUND TO THE PROPERTY TAX RELIEF FUND.

27 (C) TRANSFER FROM TAX STABILIZATION RESERVE FUND.--EFFECTIVE
28 SEPTEMBER 1, 2008, ALL MONEYS IN THE TAX STABILIZATION RESERVE
29 FUND SHALL BE TRANSFERRED TO THE PROPERTY TAX RELIEF FUND AND BE
30 USED SOLELY FOR THE PURPOSES OF PAYMENTS TO SCHOOL DISTRICTS

1 UNDER SECTION 4.1.

2 SECTION 7. REPEALS.

3 (1) THE GENERAL ASSEMBLY DECLARES THAT THE REPEALS UNDER
4 PARAGRAPHS (2) AND (3) ARE NECESSARY TO EFFECTUATE THIS ACT.

5 (2) ARTICLE XVII-A OF THE ACT OF APRIL 9, 1929 (P.L.343,
6 NO.176), KNOWN AS THE FISCAL CODE, IS REPEALED.

7 (3) SECTIONS 501, 502, 503(C), (D) AND (E), 504 AND 505
8 OF THE ACT OF JUNE 27, 2006 (1ST SP.SESS., P.L.1873, NO.1),
9 KNOWN AS THE TAXPAYER RELIEF ACT, ARE REPEALED.

10 SECTION 8. APPLICABILITY.

11 THIS ACT SHALL APPLY TO PROPERTY TAXES LEVIED FOR THE FIRST
12 FISCAL YEAR BEGINNING AFTER DECEMBER 31, 2008, AND EACH FISCAL
13 YEAR THEREAFTER.

14 SECTION 20. EFFECTIVE DATE.

15 THIS ACT SHALL TAKE EFFECT IMMEDIATELY.