

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1303 Session of
2011INTRODUCED BY WILLIAMS, KITCHEN, STACK, HUGHES, WASHINGTON,
FARNESE AND TARTAGLIONE, OCTOBER 26, 2011

SENATOR PICCOLA, EDUCATION, AS AMENDED, MAY 1, 2012

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 distress in
6 school districts of the first class.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 ~~Section 1. Section 696(h) of the act of March 10, 1949~~ ←
10 ~~(P.L.30, No.14), known as the Public School Code of 1949,~~
11 ~~amended June 29, 2002 (P.L.524, No.88), is amended and the~~
12 ~~section is amended by adding a subsection to read:~~

13 SECTION 1. SECTION 696 OF THE ACT OF MARCH 10, 1949 (P.L.30, ←
14 NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949, IS AMENDED BY
15 ADDING A SUBSECTION TO READ:

16 Section 696. Distress in School Districts of the First
17 Class.--* * *

18 ~~(h) The School Reform Commission shall be responsible for~~ ←
19 ~~financial matters related to the distressed school district of~~
20 ~~the first class and subject to the provisions of subsection~~

1 ~~(h.1):~~

2 ~~(1) All taxes authorized to be levied by a school district~~
3 ~~of the first class or for a school district of the first class~~
4 ~~by a city or county of the first class on the date of the~~
5 ~~declaration of distress shall continue to be authorized and~~
6 ~~levied in accordance with this act and shall be transmitted to~~
7 ~~the school district. For the first fiscal year or part thereof~~
8 ~~and every fiscal year thereafter in which the school district is~~
9 ~~declared to be distressed, the amount appropriated or paid by~~
10 ~~the city or county to the school district and the tax authorized~~
11 ~~by the city or county to be levied for the school district or~~
12 ~~dedicated to the school district shall be an amount or tax not~~
13 ~~less than the highest amount paid by the city or county to the~~
14 ~~school district or authorized by the city or county to be levied~~
15 ~~for the school district or dedicated to the school district~~
16 ~~during any of the three full preceding fiscal years. In~~
17 ~~addition, the city of the first class shall provide to the~~
18 ~~school district of the first class all other available local~~
19 ~~non-tax revenue, including grants, subsidies or payments made~~
20 ~~during the prior year.~~

21 ~~(2) In addition to the moneys collected under paragraph (1),~~
22 ~~the city of the first class shall remit to the school district~~
23 ~~of the first class for each year that the school district is~~
24 ~~declared distressed that portion of all other local tax revenue~~
25 ~~levied for a full fiscal year by a city or county of the first~~
26 ~~class coterminous with a school district of the first class that~~
27 ~~was allocated to the school district prior to the school~~
28 ~~district being declared distressed in accordance with section~~
29 ~~691(e).~~

30 ~~(3) All taxes collected on behalf of a school district of~~

~~the first class by any person or entity, including a city or county of the first class, shall be promptly paid following collection to the School Reform Commission for the benefit of the school district.~~

~~(4) In the event the city or county of the first class does not meet the financial obligations prescribed in this subsection, the Commonwealth may apply to that obligation any amounts otherwise due from the Commonwealth to the city or county of the first class, including, but not limited to, grants, awards and moneys collected by the Commonwealth on behalf of the city or county of the first class. Funds withheld shall be maintained in a separate account by the State Treasurer to be disbursed as determined by the Secretary of Education in consultation with the State Treasurer.~~

~~(5) The School Reform Commission shall adopt a budget.~~

~~(h.1) For any year for which the body with responsibility for the making of assessments of real property in a city of the first class certifies that the total assessed value of all real property in the city is more than two times the total assessed value for the previous year, and for each year thereafter:~~

~~(1) Subsection (h) (1), (2), (3) and (4) shall not apply, provided that for so long as the district remains subject to a declaration of distress, for each year subsequent to the year for which the board so certifies, the city shall authorize for a school district a rate of tax no less than the rate of tax authorized by the city for the immediately preceding year.~~

~~(2) The authorization of tax for school districts of the first class set forth in the following acts shall not apply:~~

~~(i) Section 652 of this act.~~

~~(ii) The act of May 23, 1949 (P.L.1661, No.505), entitled,~~

~~as reenacted and amended, "An act to impose a tax on real estate for public school purposes in school districts of the first class and of the first class A for current expenses."~~

~~(iii) The act of July 8, 1957 (P.L.548, No.303), entitled "An act to impose an additional tax on real estate for public school purposes in school districts of the first class for current expenses."~~

~~(iv) The act of November 19, 1959 (P.L.1552, No.557), entitled "An act imposing a tax on real estate for public school purposes in school districts of the first class and first class A for current expenses."~~

~~(v) The act of August 8, 1963 (P.L.592, No.310), entitled "An act to impose an additional tax on real estate for public school purposes in school districts of the first class for general public school purposes."~~

~~(3) The provisions of paragraph (2) shall continue after the expiration of a declaration of distress.~~

(H.1) THE FOLLOWING APPLY:

(1) FOR THE REASSESSMENT YEAR AND THE TWO (2) YEARS THEREAFTER, THE RATE OF ANY TAX AUTHORIZED BY A CITY OF THE FIRST CLASS OR COUNTY OF THE FIRST CLASS TO BE LEVIED FOR A SCHOOL DISTRICT OF THE FIRST CLASS OR DEDICATED TO THE SCHOOL DISTRICT OF THE FIRST CLASS IN ACCORDANCE WITH SUBSECTION (H) (1) MAY BE ADJUSTED SO THAT THE TAX AUTHORIZED BY THE CITY OF THE FIRST CLASS OR COUNTY OF THE FIRST CLASS FOR THE SCHOOL DISTRICT OF THE FIRST CLASS YIELDS AN AMOUNT EQUAL TO OR GREATER THAN THE HIGHEST YIELD OF THE TAX AUTHORIZED BY THE CITY OF THE FIRST CLASS OR COUNTY OF THE FIRST CLASS TO BE LEVIED BY THE SCHOOL DISTRICT OF THE FIRST CLASS OR DEDICATED TO THE SCHOOL DISTRICT OF THE FIRST CLASS DURING ANY OF THE THREE (3) FULL PRECEDING



YEARS PRIOR TO THE REASSESSMENT YEAR. IN THE THIRD AND FOURTH
YEARS FOLLOWING THE REASSESSMENT YEAR, THE RATE OF ANY TAX
AUTHORIZED BY THE CITY OF THE FIRST CLASS OR COUNTY OF THE FIRST
CLASS TO BE LEVIED FOR THE SCHOOL DISTRICT OF THE FIRST CLASS OR
DEDICATED TO THE SCHOOL DISTRICT OF THE FIRST CLASS SHALL BE NOT
LESS THAN THE RATE AUTHORIZED IN THE IMMEDIATELY PRECEDING YEAR.

(2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, IN THE
REASSESSMENT YEAR AND EACH YEAR THEREAFTER, IN ANY YEAR IN WHICH
THE SCHOOL DISTRICT OF THE FIRST CLASS IS SUBJECT TO A
DECLARATION OF DISTRESS, THE SCHOOL DISTRICT OF THE FIRST CLASS
MAY LEVY TAXES ON REAL ESTATE UNDER ANY OF THE FOLLOWING ACTS TO
THE EXTENT THE ESTIMATED YIELD ON ALL TAXES ON REAL ESTATE FOR
THE YEAR IS LESS THAN AN AMOUNT EQUAL TO THE YIELD IN THE YEAR
PRIOR TO THE REASSESSMENT YEAR, INCREASED BY AN AMOUNT
PROPORTIONAL TO THE INCREASE SINCE THE YEAR PRIOR TO THE
REASSESSMENT YEAR IN TOTAL ASSESSED VALUE OF REAL ESTATE IN THE
CITY OF THE FIRST CLASS:

(I) SECTION 652.

(II) THE ACT OF MAY 23, 1949 (P.L.1661, NO.505), ENTITLED,
"AN ACT TO IMPOSE A TAX ON REAL ESTATE FOR PUBLIC SCHOOL
PURPOSES IN SCHOOL DISTRICTS OF THE FIRST CLASS AND OF THE FIRST
CLASS A FOR CURRENT EXPENSES."

(III) THE ACT OF JULY 8, 1957 (P.L.548, NO.303), ENTITLED
"AN ACT TO IMPOSE AN ADDITIONAL TAX ON REAL ESTATE FOR PUBLIC
SCHOOL PURPOSES IN SCHOOL DISTRICTS OF THE FIRST CLASS FOR
CURRENT EXPENSES."

(IV) THE ACT OF NOVEMBER 19, 1959 (P.L.1552, NO.557),
ENTITLED "AN ACT IMPOSING A TAX ON REAL ESTATE FOR PUBLIC SCHOOL
PURPOSES IN SCHOOL DISTRICTS OF THE FIRST CLASS AND FIRST CLASS
A FOR CURRENT EXPENSES."

1 (V) THE ACT OF AUGUST 8, 1963 (P.L.592, NO.310), ENTITLED
2 "AN ACT TO IMPOSE AN ADDITIONAL TAX ON REAL ESTATE FOR PUBLIC
3 SCHOOL PURPOSES IN SCHOOL DISTRICTS OF THE FIRST CLASS FOR
4 GENERAL PUBLIC SCHOOL PURPOSES."

5 (VI) ANY OTHER STATUTE AUTHORIZING THE SCHOOL DISTRICT OF
6 THE FIRST CLASS TO LEVY TAXES WITHOUT AUTHORIZATION OF THE CITY
7 OF THE FIRST CLASS.

8 (3) PARAGRAPH (1) SHALL AFFECT ONLY THE RATE OF THE TAXES
9 AUTHORIZED BY THE CITY OF THE FIRST CLASS OR COUNTY OF THE FIRST
10 CLASS TO BE LEVIED BY THE SCHOOL DISTRICT OF THE FIRST CLASS OR
11 DEDICATED TO THE SCHOOL DISTRICT OF THE FIRST CLASS FOR THE
12 REASSESSMENT YEAR AND THE FOUR (4) YEARS IMMEDIATELY THEREAFTER.
13 NOTHING UNDER THIS SUBSECTION SHALL:

14 (I) REPEAL OR MODIFY THE OBLIGATION OF THE CITY OF THE FIRST
15 CLASS OR THE COUNTY OF THE FIRST CLASS TO FULLY COMPLY WITH
16 SUBSECTION (H) (1) FOR EACH YEAR WHILE THE SCHOOL DISTRICT OF THE
17 FIRST CLASS IS SUBJECT TO A DECLARATION OF DISTRESS.

18 (II) REPEAL OR AFFECT THE TAXING AUTHORITY OF A CITY OF THE
19 FIRST CLASS UNDER THE ACT OF AUGUST 5, 1932 (SP.SESS., P.L.45,
20 NO.45), REFERRED TO AS THE "STERLING ACT."

21 (4) AS USED IN THIS SUBSECTION, THE TERM "REASSESSMENT YEAR"
22 MEANS THE YEAR IMMEDIATELY FOLLOWING THE YEAR IN WHICH THE
23 DIRECTOR OF FINANCE IN A CITY OF THE FIRST CLASS FIRST CERTIFIES
24 THAT THE TOTAL ASSESSED VALUE OF ALL REAL PROPERTY IN THE CITY
25 OF THE FIRST CLASS IS AT FULL MARKET VALUE.

26 * * *

27 Section 2. This act shall take effect ~~in 60 days~~
28 IMMEDIATELY.

