

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 1301

PRINTER'S NO. 1803

AMOUNT

No Fiscal Impact

FUND

General

DATE INTRODUCED

October 26, 2011

PRIME SPONSOR

Senator Williams

HISTORY OF BILL

Referred to FINANCE, Oct. 26, 2011

Reported as amended, Nov. 16, 2011

First consideration, Nov. 16, 2011

Re-referred to APPROPRIATIONS, Dec. 7, 2011

Re-reported as committed, Dec. 12, 2011

DESCRIPTION AND PURPOSE OF BILL

Senate Bill 1301 amends the Municipal Code (53, Pa.C.S.), Chapter, 85, Subchapter F, (Homestead Property Exclusion) to permit the governing body of a city of the first class to enact homestead property exclusions from its real estate tax. A new applicability section provides that the provisions of the subchapter would apply to cities and counties of the first class and to school districts of the first class.

The City of Philadelphia is seeking the authorization to enact a homestead exemption to allow it to exempt a portion of assessments for owner-occupied residential property. According to the City, doing so allows an element of relief for its many low-income and senior homeowners, because it can be established on a flat amount of assessment per property. All other Pennsylvania jurisdictions currently have such authority.

FISCAL IMPACT:

The enactment of this legislation will have no fiscal impact to the Commonwealth.

Senate Bill 1301 is part of a package of bills proposed by the City of Philadelphia to transition the City and the School District to a property assessment system that more accurately reflects the value of the properties. The City has requested the homestead relief as one possible tool in the transition to a new property tax system. It is assumed that the implementation of a homestead exemption will have no negative fiscal impact to the City or School District of Philadelphia when considered with the other components of the legislative package.