## **SETH GROVE,** MEMBER 196<sup>TH</sup> LEGISLATIVE DISTRICT

B-15 MAIN CAPITOL PO BOX 202196 HARRISBURG, PA 17120-2196 PHONE: (717) 783-2655 FAX: (717) 772-9869

WESTGATE PLAZA 1550-C KENNETH ROAD YORK, PA 17408 PHONE: (717) 767-3947 FAX: (717) 767-9857

E-mail: sgrove@pahousegop.com Web Site: RepGrove.com Facebook.com/RepSethGrove Twitter.com/RepGrove



## House of Representatives

Commonwealth of Pennsylvania Harrisburg

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## **MEMORANDUM**

To:

All House Members

From:

Representative Seth Grove

196<sup>th</sup> Legislative District

Date:

February 1, 2011

Subject:

Property Tax Protection (Former HB 2482)

In the near future, I plan to reintroduce House Bill 2482 from the 2009-2010 session. The Commonwealth, school districts and taxpayers are about to face an exploding contribution rate as they will have to pay for the continuation of our public employee pension system. As you may know, the employer rate will spike to 21.18 percent by fiscal year 2015 and remain over 20 percent for nearly the next two decades.

I have been contacted on numerous occasions by property owners who are overwhelmingly concerned about how the monumental increase in employer contribution rates will increase their school property taxes beyond their already stretched resources. As the General Assembly moves forward to address the pension crisis, we need to ensure there are means in place to protect property taxes from the pending rate plateau.

My legislation amends Title 24 to lock employer contributions school districts make to the public pension system to four percent beginning school years 2010-2011 and onward. Any difference in employer contributions is to be made by the Commonwealth. While I acknowledge my legislation will shift the burden onto the Commonwealth, it is imperative as we move forward on the pension debate for us to consider a proposal to protect homeowners who are already burdened with high property taxes. We must ensure our property owners are insulated from the pension plateau and my legislation is the first step in protecting property owners.

If you would like to cosponsor this legislation, please contact Lisa Burkholder at <a href="mailto:lburkhol@pahousegop.com">lburkhol@pahousegop.com</a> or 717-783-2655. Thank you for your consideration.

Previous Cosponsors: Beyer, Gingrich, Moul and Pyle