

GENE DIGIROLAMO, MEMBER
49 EAST WING
PO BOX 202018
HARRISBURG, PA 17120-2018
PHONE: (717) 783-7319
FAX: (717) 772-2414

DISTRICT OFFICE:
2424 BRISTOL ROAD
NESHAMINY VALLEY COMMONS
BENSALEM, PA 19020
PHONE: (215) 750-1017
FAX: (215) 750-1295



House of Representatives
Commonwealth of Pennsylvania
Harrisburg

COMMITTEES

HUMAN SERVICES,
MAJORITY CHAIRMAN

CONSUMER AFFAIRS

PA ATHLETIC OVERSIGHT COMMITTEE,
CHAIRMAN

Memorandum

To: All House Members

From: Representative Gene DiGirolamo

Date: October 17, 2011

Subject: Co-Sponsorship of Legislation: The Taxpayer Relief Act and School Construction Costs

In the near future, I will introduce legislation amending the Taxpayer Relief Act (Act 1 of the 1st Special Session of 2006) in order to ensure that school districts can continue to cover the costs of school construction work.

As it stands now, the impact of SB330, which was approved this summer and signed into law as Act 25 of 2011, will be especially damaging to school districts with ongoing projects or that anticipate a need for facilities improvement in coming years. While the original intent of SB 330 was to grant small businesses the ability to pay property taxes in installments, the bill was amended on the House floor to eliminate several significant provisions of the Taxpayer Relief Act that allowed districts to increase taxes above the rate of inflation. A number of members were extremely troubled by the amendment language, but due to time constraints and consideration in conjunction with the state budget, we were unable put forth a compromise plan. In response, my legislation seeks to resolve the concerns for school construction costs that were created by SB 330 by adding this exception back into the Act.

Specifically, my bill would restore the previous construction exception that allowed schools to cover interest and principal payments on indebtedness for up to 60 percent of the costs of construction of academic facilities. It would then revise the Act's confusing and restrictive limits for borrowing for certain projects by allowing districts to issue up to \$10 million in tax-exempt bonds under IRS exemptions for small borrowers.

This measure will support the continuation of school maintenance and renovation projects, as well as make smaller building plans possible. Moreover, this language has been reviewed and requested by stakeholders. Your co-sponsorship will be appreciated by schools, contractors and construction workers alike.

I hope you will join me in backing this important measure. If you would like to be added, please contact Pam in my office at 3-7319 or phuss@pahousegop.com.