

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

HOUSE BILL

No. 592      Session of  
2001

---

INTRODUCED BY EGOLF, BENNINGHOFF, DeLUCA, DeWEESE, T. ARMSTRONG, READSHAW, YOUNGBLOOD, NAILOR, BELARDI, CORNELL, LYNCH, HENNESSEY, CALTAGIRONE, GEIST, GRUCELA, PHILLIPS, M. BAKER, TRAVAGLIO, VANCE, GEORGE, SOLOBAY, FEESE, TULLI, LAUGHLIN, DAILEY, ORIE, CAPPELLI, WOJNAROSKI, ZUG, DALEY, BELFANTI, WILT, LEDERER, STABACK, WOGAN, TIGUE, DALLY, FRANKEL, SHANER, JADLOWIEC, FAIRCHILD, FORCIER, CLARK, SCHRODER, S. MILLER, FICHTER, SCHULER, PISTELLA, BASTIAN, E. Z. TAYLOR, WALKO, LEH, ROHRER, SURRA, MARSICO, SATHER, CIVERA, McNAUGHTON, WASHINGTON, T. STEVENSON, KELLER, BARRAR, BARD, METCALFE, HUTCHINSON, COLAFELLA, STERN, HASAY, HESS, CLYMER, MICHLOVIC, LUCYK, PETRARCA, COSTA, HORSEY, SEMMEL, SAMUELSON, HARHAI, GABIG, HABAY, MAHER, GORDNER AND DIGIROLAMO, FEBRUARY 8, 2001

---

AMENDMENTS TO SENATE AMENDMENTS, HOUSE OF REPRESENTATIVES,  
NOVEMBER 26, 2002

---

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," AUTHORIZING LIMITED REAL PROPERTY <—  
6 ASSESSMENT GROWTH RESTRICTIONS IN CITIES OF THE FIRST CLASS;  
7 PROVIDING FOR THE IMPOSITION AND COLLECTION OF AN EARNED  
8 INCOME AND NET PROFITS TAX OR INCOME TAX BY SCHOOL DISTRICTS  
9 AFTER APPROVAL BY THE ELECTORS; AND further providing for the  
10 display of the United States flag and relating ceremonies.

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

13 ~~Section 1. Section 771 of the act of March 10, 1949 (P.L.30, <—~~  
14 ~~No.14), known as the Public School Code of 1949, amended January~~  
15 ~~8, 1952 (1951 P.L.1856, No.497), is amended to read:~~

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

SECTION 651.1. LIMITED REAL PROPERTY ASSESSMENT GROWTH  
RESTRICTIONS PERMITTED.--(A) THE COUNCIL OF A CITY OF THE FIRST  
CLASS MAY, BY ORDINANCE, ESTABLISH AN ANNUAL LIMIT ON THE  
PERCENTAGE INCREASE IN THE ASSESSED VALUE OF EACH PARCEL OF REAL  
PROPERTY WITHIN SUCH CITY FROM THE IMMEDIATE PRIOR YEAR. IF SUCH  
AN ORDINANCE IS ENACTED, COUNCIL MUST CHOOSE A SINGLE ASSESSMENT  
LIMITATION FOR THE TWO (2) YEAR PERIOD THAT IS NOT LESS THAN  
FOUR PER CENTUM (4%) OR MORE THAN TEN PER CENTUM (10%) APPLIED  
UNIFORMLY TO EACH PARCEL OF REAL PROPERTY. NOTWITHSTANDING ANY  
OTHER LAW, ORDINANCE OR CHARTER PROVISION TO THE CONTRARY, THE  
ORDINANCES AUTHORIZED UNDER THIS SECTION MAY BE MADE IMMEDIATELY  
EFFECTIVE AND APPLICABLE TO REAL PROPERTY TAXES DUE IN THE  
FISCAL YEAR IN WHICH SUCH ORDINANCES ARE ENACTED.

(B) AFTER ENACTMENT OF AN ORDINANCE AUTHORIZED UNDER  
SUBSECTION (A), THE BOARD OF REVISION OF TAXES SHALL RETURN AN  
ASSESSED VALUE FOR EACH PARCEL OF REAL PROPERTY THAT IS EQUAL TO  
THE LESSER OF THE CURRENT ASSESSED VALUE WITHOUT THE LIMITATION  
IMPOSED BY THE FIXED PERCENTAGE OR THE ASSESSED VALUE AS LIMITED  
BY THE FIXED PERCENTAGE INCREASE.

(C) THE ASSESSMENT LIMITATION AUTHORIZED UNDER THIS SECTION  
SHALL NOT APPLY TO:

(1) ANY INCREASED ASSESSMENT OCCURRING BECAUSE OF NEW  
CONSTRUCTION, AN IMPROVEMENT TO THE AFFECTED REAL PROPERTY OR AN  
OPEN MARKET SALE OF THE REAL PROPERTY.

(2) ANY TAX ON THE USE OR OCCUPANCY OF REAL ESTATE.

(D) THE PROVISIONS OF THIS SECTION SHALL BE APPLICABLE TO  
ASSESSMENTS RETURNED BY THE BOARD OF REVISION OF TAXES DURING

1 CALENDAR YEAR 2002 FOR TAX YEAR 2003 AND DURING CALENDAR YEAR  
2 2003 FOR TAX YEAR 2004.

3 (E) THIS SECTION SHALL EXPIRE JANUARY 1, 2005.

4 SECTION 2. THE ACT IS AMENDED BY ADDING AN ARTICLE TO READ:

5 ARTICLE VI-A

6 TAXATION BY SCHOOL DISTRICTS

7 (A) GENERAL PROVISIONS.

8 SECTION 601-A. DEFINITIONS.

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

12 "CURRENT YEAR." THE FISCAL YEAR FOR WHICH THE TAX IS LEVIED.

13 "DOMICILE." AS DEFINED IN SECTION 13 OF THE ACT OF DECEMBER  
14 31, 1965 (P.L.1257, NO.511), KNOWN AS THE LOCAL TAX ENABLING  
15 ACT.

16 "EARNED INCOME." THE CLASSES OF INCOME DEFINED AS EARNED  
17 INCOME IN SECTION 13 OF THE ACT OF DECEMBER 31, 1965 (P.L.1257,  
18 NO.511), KNOWN AS THE LOCAL TAX ENABLING ACT.

19 "EMPLOYER." AS DEFINED IN SECTION 301 OF THE ACT OF MARCH 4,  
20 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971.

21 "GOVERNING BODY." A BOARD OF SCHOOL DIRECTORS OF A SCHOOL  
22 DISTRICT.

23 "HOMESTEAD PROPERTY." A HOMESTEAD FOR WHICH AN APPLICATION  
24 HAS BEEN SUBMITTED AND APPROVED UNDER 53 PA.C.S. § 8584  
25 (RELATING TO ADMINISTRATION AND PROCEDURE).

26 "LOCAL TAX ENABLING ACT." THE ACT OF DECEMBER 31, 1965  
27 (P.L.1257, NO.511), KNOWN AS THE LOCAL TAX ENABLING ACT.

28 "LOCAL TAX REVENUE." THE REVENUE FROM TAXES ACTUALLY LEVIED  
29 AND ASSESSED BY A SCHOOL DISTRICT. THE TERM DOES NOT INCLUDE  
30 INTEREST OR DIVIDEND EARNINGS, FEDERAL OR STATE GRANTS,

1 CONTRACTS OR APPROPRIATIONS, INCOME GENERATED FROM OPERATIONS OR  
2 ANY OTHER SOURCE THAT IS NOT DERIVED FROM TAXES LEVIED AND  
3 ASSESSED BY A SCHOOL DISTRICT.

4 "MUNICIPALITY." AS DEFINED IN 1 PA.C.S. § 1991 (RELATING TO  
5 DEFINITIONS).

6 "NET PROFITS." THE CLASSES OF INCOME DEFINED AS NET PROFITS  
7 IN SECTION 13 OF THE ACT OF DECEMBER 31, 1965 (P.L.1257,  
8 NO.511), KNOWN AS THE LOCAL TAX ENABLING ACT.

9 "PERSONAL INCOME." INCOME ENUMERATED IN SECTION 303 OF THE  
10 ACT OF MARCH 4, 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE  
11 OF 1971, AS RETURNED TO AND ASCERTAINED BY THE DEPARTMENT OF  
12 REVENUE, SUBJECT, HOWEVER, TO ANY CORRECTION THEREOF FOR FRAUD,  
13 EVASION OR ERROR AS FINALLY DETERMINED BY THE COMMONWEALTH.

14 "PRECEDING YEAR." THE FISCAL YEAR BEFORE THE CURRENT YEAR.

15 "RESIDENT INDIVIDUAL." AN INDIVIDUAL WHO IS DOMICILED IN A  
16 SCHOOL DISTRICT.

17 "SCHOOL DISTRICT." A SCHOOL DISTRICT OF THE FIRST CLASS A,  
18 SECOND CLASS, THIRD CLASS OR FOURTH CLASS, INCLUDING ANY  
19 INDEPENDENT SCHOOL DISTRICT. THE TERM SHALL NOT INCLUDE A SCHOOL  
20 DISTRICT OF THE FIRST CLASS COTERMINOUS WITH A CITY OF THE FIRST  
21 CLASS.

22 "STATEWIDE AVERAGE WEEKLY WAGE." THAT AMOUNT DETERMINED  
23 ANNUALLY FOR EACH CALENDAR YEAR BY THE DEPARTMENT OF LABOR AND  
24 INDUSTRY UNDER SECTION 105.1 OF THE ACT OF JUNE 2, 1915  
25 (P.L.736, NO.338), KNOWN AS THE WORKERS' COMPENSATION ACT.

26 "SUCCEEDING YEAR." THE FISCAL YEAR FOLLOWING THE CURRENT  
27 YEAR.

28 "TAX REFORM CODE." THE ACT OF MARCH 4, 1971 (P.L.6, NO.2),  
29 KNOWN AS THE TAX REFORM CODE OF 1971.

30 SECTION 602-A. SCOPE AND LIMITATIONS.

1     (A) GENERAL RULE.--IT IS THE INTENT OF THIS ARTICLE TO  
2     CONFER UPON EACH SCHOOL DISTRICT THE POWER TO LEVY, ASSESS AND  
3     COLLECT THE TAXES SET FORTH IN SUBDIVISION (C), SUBJECT TO THE  
4     LIMITATIONS AND PROCEDURES PROVIDED IN THIS ARTICLE.

5     (B) REAL ESTATE TRANSFER TAXES.--THIS ARTICLE DOES NOT  
6     AFFECT THE POWERS OF A SCHOOL DISTRICT TO LEVY, ASSESS AND  
7     COLLECT A REAL ESTATE TRANSFER TAX, INCLUDING ANY REAL ESTATE  
8     TRANSFER TAX LEVIED UNDER THE AUTHORITY OF SECTION 652.1(A)(4).

9     (C) OCCUPATION TAX ELIMINATION.--THIS ARTICLE SHALL NOT  
10    AFFECT THE POWER OF A SCHOOL DISTRICT TO DO ANY OF THE  
11    FOLLOWING:

12         (1) TO ELECT TO PLACE A REFERENDUM QUESTION ON THE  
13         BALLOT PURSUANT TO THE ACT OF JUNE 22, 2001 (P.L.374, NO.24),  
14         KNOWN AS THE OPTIONAL OCCUPATION TAX ELIMINATION ACT. A  
15         SCHOOL DISTRICT MAY PLACE SUCH A REFERENDUM QUESTION ON THE  
16         BALLOT AT THE SAME MUNICIPAL ELECTION AS A REFERENDUM  
17         QUESTION PLACED ON THE BALLOT PURSUANT TO SECTION 612-A.

18         (2) TO ELIMINATE ITS OCCUPATION TAX PURSUANT TO THE  
19         OPTIONAL OCCUPATION TAX ELIMINATION ACT.

20    SECTION 603-A. PREEMPTION.

21         NO ACT OF THE GENERAL ASSEMBLY WILL VACATE OR PREEMPT ANY  
22         RESOLUTION ADOPTED UNDER THIS ARTICLE PROVIDING FOR THE  
23         IMPOSITION OF A TAX BY A SCHOOL DISTRICT UNLESS THE ACT OF THE  
24         GENERAL ASSEMBLY EXPRESSLY VACATES OR PREEMPTS THE AUTHORITY TO  
25         ADOPT THE RESOLUTION.

26    SECTION 604-A. CERTAIN RATES OF TAXATION LIMITED.

27         IF A MUNICIPALITY AND SCHOOL DISTRICT BOTH IMPOSE AN EARNED  
28         INCOME AND NET PROFITS TAX ON THE SAME INDIVIDUAL UNDER THE  
29         LOCAL TAX ENABLING ACT AND THE MUNICIPALITY AND SCHOOL DISTRICT  
30         ARE LIMITED TO OR HAVE AGREED UPON A DIVISION OF THE TAX RATE IN

1 ACCORDANCE WITH SECTION 8 OF THE LOCAL TAX ENABLING ACT, THEN  
2 THE MUNICIPALITY THAT CONTINUES TO LEVY THE EARNED INCOME AND  
3 NET PROFITS TAX UNDER THE LOCAL TAX ENABLING ACT SHALL REMAIN  
4 SUBJECT TO THAT LIMITATION OR AGREEMENT IN THE EVENT THAT THE  
5 SCHOOL DISTRICT OPTS TO IMPOSE AN INCOME TAX UNDER SUBDIVISION  
6 (C).

7 (B) TAX AUTHORIZATION PROCEDURES.

8 SECTION 611-A. GENERAL TAX AUTHORIZATION.

9 (A) GENERAL RULE.--SUBJECT TO SECTION 612-A AND EXCEPT AS  
10 PROVIDED IN SUBSECTIONS (B) AND (C), EACH SCHOOL DISTRICT SHALL  
11 HAVE THE POWER AND MAY BY RESOLUTION LEVY, ASSESS AND COLLECT OR  
12 PROVIDE FOR THE LEVYING, ASSESSMENT AND COLLECTION OF THE TAXES  
13 AUTHORIZED UNDER SUBDIVISION (C).

14 (B) EXCLUSIONS.--NO SCHOOL DISTRICT WHICH LEVIES A TAX  
15 AUTHORIZED BY SUBDIVISION (C) SHALL HAVE ANY POWER OR AUTHORITY  
16 TO LEVY, ASSESS OR COLLECT:

17 (1) THE EARNED INCOME AND NET PROFITS TAX LEVIED UNDER  
18 THE LOCAL TAX ENABLING ACT.

19 (2) AN EARNED INCOME TAX UNDER THE ACT OF AUGUST 24,  
20 1961 (P.L.1135, NO.508), REFERRED TO AS THE FIRST CLASS A  
21 SCHOOL DISTRICT EARNED INCOME TAX ACT, OR UNDER THE  
22 ADDITIONAL AUTHORITY IN SECTION 652.1(A)(2).

23 (C) LIMITED TAXES.--NO SCHOOL DISTRICT WHICH LEVIES A TAX  
24 AUTHORIZED BY SUBDIVISION (C) SHALL HAVE ANY POWER OR AUTHORITY  
25 TO LEVY, ASSESS OR COLLECT A TAX LISTED IN PARAGRAPHS (1)  
26 THROUGH (5) UNLESS THE SCHOOL DISTRICT LEVIED, ASSESSED OR  
27 COLLECTED THE TAX PRIOR TO THE ADOPTION OF THE REFERENDUM  
28 REQUIRED TO LEVY A TAX UNDER SUBDIVISION (C). NO SCHOOL DISTRICT  
29 WHICH LEVIES A TAX AUTHORIZED BY SUBDIVISION (C) SHALL HAVE ANY  
30 POWER OR AUTHORITY TO INCREASE THE RATE OF ANY TAX LISTED IN

1 PARAGRAPHS (1) THROUGH (5).

2 (1) A TAX BASED UPON A FLAT RATE OR ON A MILLAGE RATE ON  
3 AN ASSESSED VALUATION OF A PARTICULAR TRADE, OCCUPATION OR  
4 PROFESSION, COMMONLY KNOWN AS AN OCCUPATION TAX.

5 (2) A TAX AT A SET OR FLAT RATE UPON PERSONS EMPLOYED  
6 WITHIN THE TAXING DISTRICT, COMMONLY KNOWN AS AN OCCUPATIONAL  
7 PRIVILEGE TAX.

8 (3) ANY TAX UNDER SECTION 652.1(A)(4), EXCEPT AS IT  
9 PERTAINS TO REAL ESTATE TRANSFER TAXES.

10 (4) ANY OTHER TAX AUTHORIZED OR PERMITTED UNDER THE  
11 LOCAL TAX ENABLING ACT.

12 (5) A PER CAPITA, POLL, RESIDENCE OR SIMILAR HEAD TAX.

13 (D) DELINQUENT TAXES.--THE PROVISIONS OF SUBSECTIONS (B) AND  
14 (C) SHALL NOT APPLY TO COLLECTION OF DELINQUENT TAXES.

15 SECTION 612-A. PROCEDURES TO ELECT PARTICIPATION.

16 (A) GENERAL RULE.--IN ORDER TO LEVY A TAX UNDER SUBDIVISION  
17 (C), A GOVERNING BODY SHALL USE THE PROCEDURES SET FORTH IN THIS  
18 SECTION.

19 (B) PUBLIC REFERENDUM REQUIRED.--SUBJECT TO THE NOTICE AND  
20 PUBLIC HEARING REQUIREMENTS OF SUBSECTION (C), A GOVERNING BODY  
21 MAY LEVY A TAX UNDER SUBDIVISION (C) ONLY BY FIRST OBTAINING THE  
22 APPROVAL OF THE ELECTORATE OF THE AFFECTED SCHOOL DISTRICT IN A  
23 PUBLIC REFERENDUM AT ONLY THE MUNICIPAL ELECTION PRECEDING THE  
24 FISCAL YEAR WHEN THE TAX WILL BE INITIALLY IMPOSED.

25 (C) NOTICE AND HEARING REQUIREMENTS.--PRIOR TO APPROVING A  
26 RESOLUTION TO PLACE A REFERENDUM ON THE BALLOT UNDER THIS  
27 SECTION, THE GOVERNING BODY SHALL:

28 (1) GIVE PUBLIC NOTICE OF ITS INTENT TO ADOPT THE  
29 RESOLUTION IN THE MANNER PROVIDED BY SECTION 4 OF THE LOCAL  
30 TAX ENABLING ACT.

1           (2) CONDUCT AT LEAST ONE PUBLIC HEARING REGARDING THE  
2           CONTENT OF THE RESOLUTION.

3           (D) REFERENDUM QUESTION.--THE REFERENDUM QUESTION MUST STATE  
4           THE INITIAL RATE OF THE PROPOSED TAX, THE REASON FOR THE TAX AND  
5           THE AMOUNT OF PROPOSED LOCAL TAX REVENUE GROWTH, IF ANY, IN THE  
6           FIRST FISCAL YEAR FOLLOWING ADOPTION OF THE REFERENDUM,  
7           EXPRESSED AS A PERCENT INCREASE OVER THE PRIOR YEAR'S LOCAL TAX  
8           REVENUE. ANY INCREASE IN THE LOCAL TAX REVENUE BETWEEN THE FIRST  
9           FISCAL YEAR FOLLOWING ADOPTION OF THE REFERENDUM AND THE PRIOR  
10           YEAR'S LOCAL TAX REVENUE SHALL NOT EXCEED THE ANNUAL PERCENT  
11           CHANGE IN THE STATEWIDE AVERAGE WEEKLY WAGE FOR THE PRIOR YEAR.  
12           THE QUESTION SHALL BE IN CLEAR LANGUAGE THAT IS READILY  
13           UNDERSTANDABLE BY A LAYPERSON. FOR THE PURPOSE OF ILLUSTRATION,  
14           A REFERENDUM QUESTION MAY BE FRAMED AS FOLLOWS:

15           DO YOU FAVOR THE IMPOSITION OF AN X% (NAME OF TAX) TO BE  
16           USED TO REDUCE REAL PROPERTY TAXES BY X% BY MEANS OF A  
17           HOMESTEAD EXCLUSION AND PROVIDE FOR A ONE-TIME REVENUE  
18           INCREASE OF X% OVER THE PRECEDING FISCAL YEAR?

19           (E) PLAIN LANGUAGE STATEMENT.--A NONLEGAL INTERPRETATIVE  
20           STATEMENT MUST ACCOMPANY THE QUESTION IN ACCORDANCE WITH SECTION  
21           201.1 OF THE ACT OF JUNE 3, 1937 (P.L.1333, NO.320), KNOWN AS  
22           THE PENNSYLVANIA ELECTION CODE, THAT INCLUDES THE FOLLOWING: THE  
23           INITIAL RATE OF THE TAX AND THE MAXIMUM ALLOWABLE RATE OF THE  
24           TAX IMPOSED UNDER SUBDIVISION (C); THE ESTIMATED REVENUES TO BE  
25           DERIVED FROM THE INITIAL RATE OF THE TAX IMPOSED UNDER  
26           SUBDIVISION (C); THE AMOUNT OF PROPOSED REVENUE GROWTH, IF ANY,  
27           IN THE FIRST FISCAL YEAR FOLLOWING ADOPTION OF THE REFERENDUM;  
28           THE ESTIMATED REDUCTION IN REAL PROPERTY TAXES AND THE METHOD TO  
29           BE USED TO REDUCE REAL PROPERTY TAXES; THE CLASS OR CLASSES OF  
30           REAL PROPERTY FOR WHICH REAL PROPERTY TAXES WOULD BE REDUCED;

1 AND THE ESTIMATED AMOUNT OF REAL PROPERTY TAX REDUCTION BY  
2 CLASS, EXPRESSED AS AN AVERAGE PERCENT REDUCTION BY CLASS.

3 (F) REFERENDUM RESULTS.--IF A MAJORITY OF THE ELECTORS  
4 VOTING ON THE QUESTION VOTE "YES," THEN THE GOVERNING BODY:

5 (1) SHALL BE REQUIRED TO IMPLEMENT THE TAXES STATED IN  
6 THE REFERENDUM QUESTION AND IMPLEMENT AN EXCLUSION FOR  
7 HOMESTEAD PROPERTY AS REQUIRED UNDER SUBDIVISION (C).

8 (2) SHALL BE REQUIRED TO SUBMIT INCREASES IN THE RATE OF  
9 THE REAL PROPERTY TAX TO THE ELECTORS OF THE SCHOOL DISTRICT  
10 AS PROVIDED UNDER SECTION 614-A.

11 IF A MAJORITY OF THE ELECTORS VOTING ON THE QUESTION VOTE "NO,"  
12 THE GOVERNING BODY SHALL NOT IMPOSE A TAX UNDER SUBDIVISION (C).

13 (G) REFERENDUM PROCEEDINGS.--PROCEEDINGS UNDER THIS SECTION  
14 SHALL BE IN ACCORDANCE WITH THE PROVISIONS OF THE ACT OF JUNE 3,  
15 1937 (P.L.1333, NO.320), KNOWN AS THE PENNSYLVANIA ELECTION  
16 CODE.

17 SECTION 613-A. PROCEDURES TO END PARTICIPATION.

18 (A) REFERENDUM REQUIRED.--A GOVERNING BODY MAY, AFTER A  
19 PERIOD OF THREE FULL FISCAL YEARS OF PARTICIPATION UNDER THIS  
20 ARTICLE, ELECT TO END PARTICIPATION UNDER THIS ARTICLE BY  
21 OBTAINING THE APPROVAL OF THE ELECTORS OF THE SCHOOL DISTRICT IN  
22 A PUBLIC REFERENDUM AT A MUNICIPAL ELECTION. THE PROVISIONS OF  
23 SECTION 612-A(C) AND (G) SHALL APPLY TO A REFERENDUM UNDER THIS  
24 SECTION.

25 (B) REFERENDUM QUESTION.--THE REFERENDUM QUESTION SHALL  
26 INCLUDE A LISTING OF THE TAXES TO BE REPEALED, A LISTING OF THE  
27 TAXES THE GOVERNING BODY HAS THE AUTHORITY TO IMPOSE OR TO  
28 INCREASE AND A SPECIFIC REFERENCE TO THE REMOVAL OF LIMITATIONS  
29 ON PROPERTY TAX INCREASES.

30 (C) PLAIN LANGUAGE STATEMENT.--A NONLEGAL INTERPRETIVE

1 STATEMENT MUST ACCOMPANY THE QUESTION IN ACCORDANCE WITH SECTION  
2 201.1 OF THE ACT OF JUNE 3, 1937 (P.L.1333, NO.320), KNOWN AS  
3 THE PENNSYLVANIA ELECTION CODE.

4 (D) REFERENDUM RESULTS.--IF A MAJORITY OF THE ELECTORS  
5 VOTING ON THE QUESTION VOTE "YES," THEN THE GOVERNING BODY:

6 (1) SHALL BE REQUIRED TO REPEAL THE TAXES AUTHORIZED  
7 UNDER SUBDIVISION (C) AND MAY LEVY, ASSESS AND COLLECT THE  
8 TAXES PROHIBITED BY SECTION 611-A(B) AND (C) TO THE EXTENT  
9 PERMITTED BY LAW; AND

10 (2) SHALL NOT BE REQUIRED TO SUBMIT INCREASES IN THE  
11 RATE OF THE REAL PROPERTY TAX TO A REFERENDUM AS PROVIDED  
12 UNDER SECTION 614-A.

13 IF A MAJORITY OF THE ELECTORS VOTING ON THE QUESTION VOTE "NO,"  
14 THE GOVERNING BODY SHALL CONTINUE TO BE SUBJECT TO THE  
15 PROVISIONS OF THIS ARTICLE.

16 SECTION 614-A. REFERENDUM FOR PROPERTY TAX INCREASES.

17 (A) GENERAL RULE.--EXCEPT AS PROVIDED IN SUBSECTIONS (C) AND  
18 (D), A GOVERNING BODY THAT ELECTS TO LEVY A TAX UNDER  
19 SUBDIVISION (C) PURSUANT TO SECTION 612-A SHALL NOT INCREASE THE  
20 RATE OF ITS TAX ON REAL PROPERTY WITHOUT FIRST OBTAINING THE  
21 APPROVAL OF THE ELECTORATE OF THE AFFECTED SCHOOL DISTRICT IN A  
22 REFERENDUM AT THE PRIMARY ELECTION IMMEDIATELY PRECEDING THE  
23 FISCAL YEAR OF THE PROPOSED TAX INCREASE.

24 (B) DISAPPROVAL.--WHENEVER THE ELECTORATE FAILS TO APPROVE  
25 THE PROPOSED REFERENDUM QUESTION TO INCREASE THE RATE OF TAX ON  
26 REAL PROPERTY UNDER SUBSECTION (A), THE GOVERNING BODY SHALL BE  
27 LIMITED TO THE RATE OF TAX PERMITTED TO BE IN EFFECT AFTER THE  
28 ALLOWANCE OF THE EXCEPTIONS PERMITTED IN SUBSECTIONS (C) AND  
29 (D).

30 (C) EXCEPTION TO GENERAL RULE.--THE PROVISIONS OF SUBSECTION

1 (A) SHALL NOT APPLY TO AN INCREASE IN THE RATE OF THE REAL  
2 PROPERTY TAX THAT DOES NOT CAUSE LOCAL TAX REVENUE, EXCLUDING  
3 REAL PROPERTY TAXES TO BE LEVIED ON NEWLY CONSTRUCTED BUILDINGS  
4 OR STRUCTURES OR ON INCREASED VALUATIONS BASED ON NEW  
5 IMPROVEMENTS MADE TO EXISTING HOUSES, TO INCREASE BY MORE THAN  
6 THE PERCENTAGE INCREASE IN THE STATEWIDE AVERAGE WEEKLY WAGE IN  
7 THE PRECEDING YEAR. PRIOR TO ANY INCREASE UNDER THIS SUBSECTION,  
8 THE GOVERNING BODY MUST CERTIFY TO THE DEPARTMENT OF EDUCATION  
9 THE ESTIMATES OF TOTAL LOCAL TAX REVENUES USED IN THE  
10 CALCULATION UNDER THIS SUBSECTION. THE DEPARTMENT OF EDUCATION  
11 MAY, ON ITS OWN INITIATIVE OR ON PETITION OF A PERSON HAVING  
12 STANDING UNDER SUBSECTION (F), REVISE THE ESTIMATES CERTIFIED BY  
13 THE GOVERNING BODY AND REDUCE THE ALLOWABLE INCREASE IN THE RATE  
14 OF THE REAL PROPERTY TAX UNDER THIS SUBSECTION.

15 (D) REFERENDUM EXCEPTIONS.--THE PROVISIONS OF SUBSECTION (A)  
16 SHALL NOT APPLY TO INCREASES IN THE RATE OF TAX ON REAL PROPERTY  
17 IN THIS SUBSECTION ONLY IF THE EXCEPTION TO THE GENERAL RULE  
18 UNDER SUBSECTION (C) HAS BEEN UTILIZED, IF APPLICABLE, TO THE  
19 MAXIMUM AMOUNT ALLOWED:

20 (1) TO RESPOND TO OR RECOVER FROM AN EMERGENCY OR  
21 DISASTER DECLARED PURSUANT TO 35 PA.C.S. § 7301 (RELATING TO  
22 GENERAL AUTHORITY OF GOVERNOR) OR 75 PA.C.S. § 6108 (RELATING  
23 TO POWER OF GOVERNOR DURING EMERGENCY), ONLY FOR THE DURATION  
24 OF THE EMERGENCY OR DISASTER AND FOR THE COSTS OF THE  
25 RECOVERY FROM THE EMERGENCY OR DISASTER.

26 (2) TO IMPLEMENT A COURT ORDER OR AN ADMINISTRATIVE  
27 ORDER FROM A FEDERAL OR STATE AGENCY THAT REQUIRES THE  
28 EXPENDITURE OF FUNDS THAT EXCEED CURRENT AVAILABLE REVENUES.  
29 THE RATE INCREASE SHALL BE RESCINDED FOLLOWING FULFILLMENT OF  
30 THE COURT ORDER OR ADMINISTRATIVE ORDER.

1           (3) TO PAY INTEREST AND PRINCIPAL ON ANY INDEBTEDNESS  
2           INCURRED UNDER 53 PA.C.S. (RELATING TO MUNICIPALITIES  
3           GENERALLY). HOWEVER, IN NO CASE MAY A SCHOOL DISTRICT INCUR  
4           ADDITIONAL DEBT UNDER THIS PARAGRAPH, EXCEPT FOR THE  
5           REFINANCING OF EXISTING DEBT, INCLUDING THE PAYMENT OF COSTS  
6           AND EXPENSES RELATED TO SUCH REFINANCING AND THE  
7           ESTABLISHMENT OR FUNDING OF APPROPRIATE DEBT SERVICE  
8           RESERVES. THE INCREASE SHALL BE RESCINDED FOLLOWING THE FINAL  
9           PAYMENT OF INTEREST AND PRINCIPAL. THE EXCEPTION PROVIDED  
10          UNDER THIS PARAGRAPH SHALL NOT BE USED TO AVOID REFERENDUM  
11          REQUIREMENTS TO PAY FOR COSTS WHICH COULD NOT BE FINANCED BY  
12          THE ISSUANCE OF DEBT UNDER 53 PA.C.S.

13          (4) TO RESPOND TO CONDITIONS THAT POSE AN IMMEDIATE  
14          THREAT OF SERIOUS PHYSICAL HARM OR INJURY TO THE STUDENTS,  
15          STAFF OR RESIDENTS OF THE SCHOOL DISTRICT UNTIL THE  
16          CIRCUMSTANCES CAUSING THE THREAT HAVE BEEN FULLY RESOLVED.

17          (5) SPECIAL PURPOSE TAX LEVIES APPROVED BY THE  
18          ELECTORATE.

19          (6) TO MAINTAIN PER-STUDENT LOCAL TAX REVENUE IN THE  
20          SCHOOL DISTRICT AT AN AMOUNT NOT EXCEEDING THE AMOUNT OF PER-  
21          STUDENT LOCAL TAX REVENUE OF THE PRECEDING YEAR, ADJUSTED FOR  
22          THE PERCENTAGE INCREASE IN THE STATEWIDE AVERAGE WEEKLY WAGE.  
23          THIS PARAGRAPH SHALL APPLY ONLY IF THE PERCENTAGE GROWTH IN  
24          STUDENT ENROLLMENT IN THE SCHOOL DISTRICT BETWEEN THE CURRENT  
25          FISCAL YEAR AND THE THIRD FISCAL YEAR IMMEDIATELY PRECEDING  
26          THE CURRENT FISCAL YEAR EXCEEDS 10%. FOR THE PURPOSES OF THIS  
27          PARAGRAPH, STUDENT ENROLLMENT SHALL BE MEASURED BY AVERAGE  
28          DAILY MEMBERSHIP AS DEFINED IN SECTION 2501(3). FOR THE  
29          PURPOSES OF THIS PARAGRAPH, PER-STUDENT LOCAL TAX REVENUE  
30          SHALL BE DETERMINED BY DIVIDING LOCAL TAX REVENUE BY AVERAGE

1 DAILY MEMBERSHIP.

2 (E) COURT ACTION.--PRIOR TO THE IMPOSITION OF THE TAX  
3 INCREASE UNDER SUBSECTION (D)(1), (2), (4) OR (6), APPROVAL IS  
4 REQUIRED BY THE COURT OF COMMON PLEAS IN THE JUDICIAL DISTRICT  
5 IN WHICH THE GOVERNING BODY IS LOCATED. THE GOVERNING BODY SHALL  
6 PUBLISH IN A NEWSPAPER OF GENERAL CIRCULATION A NOTICE OF ITS  
7 INTENT TO FILE AN ACTION UNDER THIS SUBSECTION AT LEAST ONE WEEK  
8 PRIOR TO THE FILING OF THE PETITION. THE GOVERNING BODY SHALL  
9 ALSO PUBLISH IN A NEWSPAPER OF GENERAL CIRCULATION NOTICE, AS  
10 SOON AS POSSIBLE FOLLOWING NOTIFICATION FROM THE COURT THAT A  
11 HEARING HAS BEEN SCHEDULED, STATING THE DATE, TIME AND PLACE OF  
12 THE HEARING ON THE PETITION. THE FOLLOWING SHALL APPLY TO ANY  
13 PROCEEDINGS INSTITUTED UNDER THIS SUBSECTION:

14 (1) THE GOVERNING BODY MUST PROVE BY CLEAR AND  
15 CONVINCING EVIDENCE THE NECESSITY FOR THE TAX INCREASE.

16 (2) THE GOVERNING BODY MUST PROVE BY CLEAR AND  
17 CONVINCING EVIDENCE THAT THERE ARE NO ASSETS OR OTHER  
18 FEASIBLE ALTERNATIVES AVAILABLE TO THE SCHOOL DISTRICT.

19 (3) THE COURT SHALL DETERMINE THE APPROPRIATE DURATION  
20 OF THE INCREASE AND MAY RETAIN CONTINUING JURISDICTION. THE  
21 COURT MAY, ON ITS OWN MOTION OR ON PETITION OF AN INTERESTED  
22 PARTY, REVOKE APPROVAL FOR OR ORDER RESCISSION OF A TAX  
23 INCREASE.

24 (F) STANDING.--A PERSON SHALL HAVE STANDING AS A PARTY TO A  
25 PROCEEDING UNDER THIS SECTION IF THE PERSON RESIDES WITHIN OR  
26 PAYS REAL PROPERTY TAXES TO THE TAXING JURISDICTION OF THE  
27 GOVERNING BODY INSTITUTING THE ACTION.

28 (G) PROPERTY TAX LIMITS ON REASSESSMENT.--AFTER ANY COUNTY  
29 MAKES A COUNTYWIDE REVISION OF ASSESSMENT OF REAL PROPERTY AT  
30 VALUES BASED UPON AN ESTABLISHED PREDETERMINED RATIO AS REQUIRED

BY LAW OR AFTER ANY COUNTY CHANGES ITS ESTABLISHED PREDETERMINED  
RATIO, EACH SCHOOL DISTRICT THAT HAS APPROVED A REFERENDUM  
QUESTION UNDER SECTION 612-A, WHICH HEREAFTER FOR THE FIRST TIME  
LEVIES ITS REAL ESTATE TAXES ON THAT REVISED ASSESSMENT OR  
VALUATION, SHALL FOR THE FIRST YEAR REDUCE ITS TAX RATE, IF  
NECESSARY, FOR THE PURPOSE OF HAVING THE PERCENTAGE INCREASE IN  
TAXES LEVIED FOR THAT YEAR AGAINST THE REAL PROPERTIES CONTAINED  
IN THE DUPLICATE FOR THE PRECEDING YEAR BE LESS THAN OR EQUAL TO  
THE PERCENTAGE INCREASE IN THE STATEWIDE AVERAGE WEEKLY WAGE FOR  
THE PRECEDING YEAR NOTWITHSTANDING THE INCREASED VALUATIONS OF  
SUCH PROPERTIES UNDER THE REVISED ASSESSMENT. FOR THE PURPOSE OF  
DETERMINING THE TOTAL AMOUNT OF TAXES TO BE LEVIED FOR THE FIRST  
YEAR, THE AMOUNT TO BE LEVIED ON NEWLY CONSTRUCTED BUILDINGS OR  
STRUCTURES OR ON INCREASED VALUATIONS BASED ON NEW IMPROVEMENTS  
MADE TO EXISTING HOUSES NEED NOT BE CONSIDERED. THE TAX RATE  
SHALL BE FIXED FOR THAT YEAR AT A FIGURE WHICH WILL ACCOMPLISH  
THIS PURPOSE. THE PROVISIONS OF SUBSECTION (A) SHALL APPLY TO  
INCREASES IN THE TAX RATE ABOVE THE LIMITS PROVIDED IN THIS  
SUBSECTION.

SECTION 615-A. QUESTION TO BE SUBMITTED TO ELECTORS.

(A) QUESTION REQUIRED.--THE BOARD OF SCHOOL DIRECTORS OF  
EACH SCHOOL DISTRICT SHALL CAUSE A REFERENDUM QUESTION PURSUANT  
TO SECTION 612-A TO BE SUBMITTED TO THE ELECTORS OF THE SCHOOL  
DISTRICT, AT THE 2003 MUNICIPAL ELECTION.

(B) OPTIONS AUTHORIZED.--EXCEPT AS PROVIDED IN SUBSECTION  
(C), THE BOARD OF SCHOOL DIRECTORS SHALL BE AUTHORIZED TO  
DETERMINE THE CONTENT OF THE QUESTION TO BE SUBMITTED TO THE  
ELECTORS UNDER THIS SECTION, SUBJECT TO THE PROVISIONS OF THIS  
ARTICLE AND THE OPTIONS AUTHORIZED THEREIN.

(C) FAILURE TO ACT.--IF THE BOARD OF SCHOOL DIRECTORS FAILS

1 TO ADOPT THE RESOLUTION REQUIRED BY SUBSECTION (A) WITHIN 90  
2 DAYS PRECEDING THE 2003 MUNICIPAL ELECTION, THE COUNTY BOARD OF  
3 ELECTIONS SHALL PREPARE A QUESTION FOR THE SCHOOL DISTRICT  
4 PURSUANT TO SECTION 612-A THAT WOULD REQUIRE THE EARNED INCOME  
5 AND NET PROFITS TAX AUTHORIZED UNDER SECTION 622-A TO BE IMPOSED  
6 AT THE MAXIMUM RATE PERMITTED. THE DEPARTMENT OF EDUCATION SHALL  
7 PROVIDE ASSISTANCE TO THE COUNTY BOARD OF ELECTIONS UNDER THIS  
8 SUBSECTION.

9 (D) REFERENDUM PROCEDURE.--

10 (1) AT THE 2003 MUNICIPAL ELECTION, THE COUNTY BOARD OF  
11 ELECTIONS SHALL CAUSE THE QUESTION REQUIRED BY THIS SECTION  
12 TO BE SUBMITTED TO THE ELECTORS OF THE SCHOOL DISTRICT.

13 (2) IF A MAJORITY OF THE ELECTORS VOTING ON THE QUESTION  
14 VOTE IN THE AFFIRMATIVE, THE QUESTION SHALL BE ADOPTED AND  
15 THE BOARD OF SCHOOL DIRECTORS SHALL IMPLEMENT THE PROVISIONS  
16 OF THIS ARTICLE CONSISTENT WITH THE QUESTION SUBMITTED TO AND  
17 APPROVED BY THE ELECTORS.

18 (3) THE PROCEDURE FOR THE REFERENDUM UNDER THIS SECTION  
19 SHALL BE GOVERNED BY THE ACT OF JUNE 3, 1937 (P.L.1333,  
20 NO.320), KNOWN AS THE PENNSYLVANIA ELECTION CODE.

21 (E) NONAPPLICABILITY.--THIS SECTION SHALL NOT APPLY TO:

22 (1) A SCHOOL DISTRICT IN WHICH A REFERENDUM QUESTION  
23 UNDER 53 PA.C.S. § 8703 (RELATING TO ADOPTION OF REFERENDUM)  
24 HAS BEEN APPROVED AND IMPLEMENTED.

25 (2) A SCHOOL DISTRICT CERTIFIED AS DISTRESSED PURSUANT  
26 TO SECTION 691 OR CERTIFIED AS AN EDUCATION EMPOWERMENT  
27 DISTRICT PURSUANT TO SECTION 1705-B OR 1707-B.

28 (3) A SCHOOL DISTRICT OF THE FIRST CLASS.

29 (C) TAXES AUTHORIZED TO REDUCE PROPERTY TAX.  
30 SECTION 621-A. TAXES AUTHORIZED TO REDUCE PROPERTY TAXES.

1     (A) AUTHORIZED TAX OPTIONS.--THE TAXES AUTHORIZED UNDER THIS  
2     SUBDIVISION MAY BE IMPOSED BY A SCHOOL DISTRICT PURSUANT TO THE  
3     REQUIREMENTS OF SECTION 612-A.

4     (B) CONTINUITY OF TAX.--A TAX LEVIED UNDER THE PROVISIONS OF  
5     THIS SUBDIVISION SHALL CONTINUE IN FORCE ON A FISCAL YEAR BASIS  
6     WITHOUT ANNUAL REENACTMENT UNLESS THE RATE OF TAX IS INCREASED  
7     OR THE TAX IS SUBSEQUENTLY REPEALED.

8     SECTION 622-A. EARNED INCOME AND NET PROFITS TAX.

9     (A) IMPOSITION.--A SCHOOL DISTRICT RECEIVING AUTHORIZATION  
10    UNDER SECTION 612-A SHALL HAVE THE POWER TO LEVY, ASSESS AND  
11    COLLECT A TAX ON THE EARNED INCOME AND NET PROFITS OF RESIDENT  
12    INDIVIDUALS OF THE SCHOOL DISTRICT. THE EARNED INCOME AND NET  
13    PROFITS TAX MAY BE LEVIED BY THE SCHOOL DISTRICT AT A RATE  
14    AUTHORIZED UNDER SUBSECTION (B). A SCHOOL DISTRICT THAT LEVIES A  
15    LOCAL PERSONAL INCOME TAX UNDER SECTION 623-A SHALL HAVE NO  
16    POWER TO LEVY, ASSESS OR COLLECT THE EARNED INCOME AND NET  
17    PROFITS TAX UNDER THIS SECTION.

18    (B) RATE LIMITS AND INCREASES.--

19       (1) FOR THE FISCAL YEAR OF IMPLEMENTATION, THE RATE OF  
20       THE TAX LEVIED UNDER THIS SECTION SHALL NOT EXCEED THE RATE,  
21       AS CALCULATED BY THE GOVERNING BODY, THAT WOULD ALLOW THE  
22       SCHOOL DISTRICT TO PROVIDE THE HOMESTEAD EXCLUSION AUTHORIZED  
23       UNDER 53 PA.C.S. § 8583 (RELATING TO EXCLUSION FOR HOMESTEAD  
24       PROPERTY) UP TO THE MAXIMUM AMOUNT AUTHORIZED UNDER 53  
25       PA.C.S. § 8586 (RELATING TO LIMITATIONS).

26       (2) FOR FISCAL YEARS SUBSEQUENT TO THE FISCAL YEAR OF  
27       IMPLEMENTATION, THE GOVERNING BODY MAY INCREASE THE RATE OF  
28       THE TAX LEVIED UNDER THIS SECTION IN EXCESS OF THE LIMITS  
29       CALCULATED UNDER PARAGRAPH (1) ONLY BY OBTAINING APPROVAL OF  
30       THE ELECTORATE OF THE AFFECTED SCHOOL DISTRICT IN A

1     REFERENDUM AT THE PRIMARY ELECTION IMMEDIATELY PRECEDING THE  
2     FISCAL YEAR OF THE PROPOSED RATE INCREASE. INsofar AS IT IS  
3     APPLICABLE, SECTION 612-A SHALL GOVERN THE REFERENDUM UNDER  
4     THIS PARAGRAPH.

5         (3) THE GOVERNING BODY SHALL MAKE A GOOD FAITH  
6     CALCULATION OF THE MAXIMUM RATE UNDER THIS SUBSECTION. THE  
7     GOVERNING BODY MAY SEEK THE ASSISTANCE OF THE DEPARTMENT OF  
8     EDUCATION AND THE DEPARTMENT OF REVENUE IN MAKING THE  
9     CALCULATIONS UNDER THIS SUBSECTION.

10        (4) THE RATE OF TAX DETERMINED UNDER THIS SUBSECTION  
11     SHALL BE ROUNDED OFF TO THE NEAREST INCREMENT OF ONE-TENTH OF  
12     ONE PERCENT.

13        (5) IF A REFERENDUM QUESTION UNDER THE ACT OF JUNE 22,  
14     2001 (P.L.374, NO.24), KNOWN AS THE OPTIONAL OCCUPATION TAX  
15     ELIMINATION ACT, IS ON THE BALLOT CONCURRENTLY WITH A  
16     REFERENDUM QUESTION UNDER SECTION 612-A AND BOTH QUESTIONS  
17     ARE APPROVED, THE RATE OF THE TAX ON EARNED INCOME AND NET  
18     PROFITS AUTHORIZED UNDER THIS SECTION SHALL BE CUMULATIVE IN  
19     ACCORDANCE WITH THE QUESTIONS APPROVED BY THE ELECTORS.

20     (C) COLLECTIONS.--ANY SCHOOL DISTRICT IMPOSING A TAX UNDER  
21     THIS SECTION SHALL DESIGNATE THE TAX OFFICER WHO IS APPOINTED  
22     UNDER SECTION 10 OF THE LOCAL TAX ENABLING ACT, OR OTHERWISE BY  
23     LAW, AS THE COLLECTOR OF THE EARNED INCOME AND NET PROFITS TAX.  
24     IN THE PERFORMANCE OF THE TAX COLLECTION DUTIES UNDER THIS  
25     SUBDIVISION, THE DESIGNATED TAX OFFICER SHALL HAVE ALL THE SAME  
26     POWERS, RIGHTS, RESPONSIBILITIES AND DUTIES FOR THE COLLECTION  
27     OF THE TAXES WHICH MAY BE IMPOSED UNDER THE LOCAL TAX ENABLING  
28     ACT, 53 PA.C.S. CH. 84 SUBCH. C (RELATING TO LOCAL TAXPAYERS  
29     BILL OF RIGHTS) OR AS OTHERWISE PROVIDED BY LAW.

30     (D) LOCAL TAX CREDITS.--THE PROVISIONS OF SECTION 14 OF THE

1 LOCAL TAX ENABLING ACT SHALL BE USED TO DETERMINE ANY CREDITS  
2 UNDER THE PROVISIONS OF THIS SUBDIVISION FOR ANY TAXES IMPOSED  
3 UNDER THIS SECTION.

4 (E) STATE TAX CREDIT.--A CREDIT AGAINST PERSONAL INCOME TAX  
5 DUE TO THE COMMONWEALTH UNDER SECTION 302 OF THE TAX REFORM CODE  
6 SHALL BE GRANTED TO ALL NONRESIDENTS OF A CITY OF THE FIRST  
7 CLASS WHO ARE SUBJECT TO A TAX IMPOSED BY A CITY OF THE FIRST  
8 CLASS PURSUANT TO THE ACT OF AUGUST 5, 1932 (SP.SESS., P.L.45,  
9 NO.45), REFERRED TO AS THE STERLING ACT. THE CREDIT SHALL EQUAL  
10 0.25% OF SALARIES, WAGES, COMMISSIONS, COMPENSATION OR OTHER  
11 INCOME RECEIVED FOR WORK DONE OR SERVICES PERFORMED WITHIN A  
12 CITY OF THE FIRST CLASS. THE SECRETARY OF REVENUE SHALL  
13 PROMULGATE SUCH REGULATIONS AND FORMS AS ARE NECESSARY TO  
14 IMPLEMENT THE PROVISIONS OF THIS SUBSECTION. THIS SECTION SHALL  
15 ONLY APPLY TO RESIDENTS OF SCHOOL DISTRICTS WHICH IMPOSE THE TAX  
16 UNDER THIS SUBDIVISION. A GOVERNING BODY OF A SCHOOL DISTRICT IN  
17 A COUNTY OF THE SECOND CLASS A SHALL, AND A GOVERNING BODY OF A  
18 SCHOOL DISTRICT IN A COUNTY OF THE THIRD CLASS MAY, INCLUDE IN  
19 THE REFERENDUM QUESTION UNDER SECTION 612-A LANGUAGE ASKING  
20 WHETHER THE CREDIT AGAINST THE PERSONAL INCOME TAX IN THIS  
21 SUBSECTION SHOULD BE PROVIDED TO THE NONRESIDENT TAXPAYER IN THE  
22 CITY OF THE FIRST CLASS OR THE SCHOOL DISTRICT IN WHICH THE  
23 TAXPAYER RESIDES FOR THE PURPOSE OF MAKING ADDITIONAL TAX  
24 REDUCTIONS IN ACCORDANCE WITH SECTION 631-A. SHOULD ANY COURT OF  
25 COMPETENT JURISDICTION DETERMINE THAT THIS SUBSECTION IS  
26 UNCONSTITUTIONAL, THE PROVISIONS OF THIS SUBSECTION SHALL BE  
27 VOID AND NO CREDIT SHALL BE EXPANDED OR EXTENDED IN ANY WAY BY  
28 ANY COURT.

29 (F) EARNED INCOME AND NET PROFITS TAX EXEMPTION.--A SCHOOL  
30 DISTRICT THAT IMPOSES AN EARNED INCOME AND NET PROFITS TAX UNDER

1 THIS SUBDIVISION MAY EXEMPT FROM THE PAYMENT OF THAT TAX ANY  
2 PERSON WHOSE TOTAL INCOME FROM ALL SOURCES IS LESS THAN \$7,500.

3 (G) RULES AND REGULATIONS.--TAXES IMPOSED UNDER THIS SECTION  
4 WILL BE SUBJECT TO ALL REGULATIONS ADOPTED UNDER SECTION 13 OF  
5 THE LOCAL TAX ENABLING ACT. A SCHOOL DISTRICT MAY ADOPT  
6 REGULATIONS FOR THE PROCESSING OF CLAIMS FOR CREDITS OR  
7 EXEMPTIONS UNDER THIS SECTION.

8 (H) PROCEDURE AND ADMINISTRATION.--IN ORDER TO LEVY THE TAX  
9 UNDER THIS SECTION, THE GOVERNING BODY SHALL ADOPT A RESOLUTION  
10 WHICH SHALL REFER TO THIS SECTION.

11 (I) DISPOSITION OF EARNED INCOME AND NET PROFITS TAX  
12 REVENUE.--THE DISPOSITION OF REVENUE FROM AN EARNED INCOME AND  
13 NET PROFITS TAX OR AN INCREASE IN THE RATE OF AN EARNED INCOME  
14 AND NET PROFITS TAX IMPOSED BY SCHOOL DISTRICTS UNDER THE  
15 AUTHORITY OF THIS SECTION SHALL CONFORM TO SECTION 631-A.  
16 SECTION 623-A. LOCAL PERSONAL INCOME TAX.

17 (A) IMPOSITION.--A SCHOOL DISTRICT RECEIVING AUTHORIZATION  
18 UNDER SECTION 612-A SHALL HAVE THE POWER TO LEVY, ASSESS AND  
19 COLLECT A TAX ON THE PERSONAL INCOME OF RESIDENT INDIVIDUALS OF  
20 THE SCHOOL DISTRICT. THE LOCAL PERSONAL INCOME TAX MAY BE LEVIED  
21 BY THE SCHOOL DISTRICT AT A RATE AUTHORIZED UNDER SUBSECTION

22 (B). A SCHOOL DISTRICT THAT LEVIES AN EARNED INCOME AND NET  
23 PROFITS TAX UNDER SECTION 622-A SHALL HAVE NO POWER TO LEVY,  
24 ASSESS OR COLLECT A LOCAL PERSONAL INCOME TAX UNDER THIS  
25 SECTION.

26 (B) RATE LIMITS AND INCREASES.--

27 (1) FOR THE FISCAL YEAR OF IMPLEMENTATION, THE RATE OF  
28 THE TAX LEVIED UNDER THIS SECTION SHALL NOT EXCEED THE RATE,  
29 AS CALCULATED BY THE GOVERNING BODY, THAT WOULD ALLOW THE  
30 SCHOOL DISTRICT TO PROVIDE THE HOMESTEAD EXCLUSION AUTHORIZED

1 UNDER 53 PA.C.S. § 8583 (RELATING TO EXCLUSION FOR HOMESTEAD  
2 PROPERTY) UP TO THE MAXIMUM AMOUNT AUTHORIZED UNDER 53  
3 PA.C.S. § 8586 (RELATING TO LIMITATIONS).

4 (2) FOR FISCAL YEARS SUBSEQUENT TO THE FISCAL YEAR OF  
5 IMPLEMENTATION, THE GOVERNING BODY MAY INCREASE THE RATE OF  
6 THE TAX LEVIED UNDER THIS SECTION IN EXCESS OF THE LIMITS  
7 CALCULATED UNDER PARAGRAPH (1) ONLY BY OBTAINING APPROVAL OF  
8 THE ELECTORATE OF THE AFFECTED SCHOOL DISTRICT IN A  
9 REFERENDUM AT THE PRIMARY ELECTION IMMEDIATELY PRECEDING THE  
10 FISCAL YEAR OF THE PROPOSED RATE INCREASE. INsofar AS IT IS  
11 APPLICABLE, SECTION 612-A SHALL GOVERN THE REFERENDUM UNDER  
12 THIS PARAGRAPH.

13 (3) THE GOVERNING BODY SHALL MAKE A GOOD FAITH  
14 CALCULATION OF THE MAXIMUM RATE UNDER THIS SUBSECTION. THE  
15 GOVERNING BODY MAY SEEK THE ASSISTANCE OF THE DEPARTMENT OF  
16 EDUCATION AND THE DEPARTMENT OF REVENUE IN MAKING THE  
17 CALCULATIONS UNDER THIS SUBSECTION.

18 (4) THE RATE OF TAX DETERMINED UNDER THIS SUBSECTION  
19 SHALL BE ROUNDED OFF TO THE NEAREST INCREMENT OF ONE-TENTH OF  
20 ONE PERCENT.

21 (5) IF A REFERENDUM QUESTION UNDER THE ACT OF JUNE 22,  
22 2001 (P.L.374, NO.24), KNOWN AS THE OPTIONAL OCCUPATION TAX  
23 ELIMINATION ACT, IS ON THE BALLOT CONCURRENTLY WITH A  
24 REFERENDUM QUESTION UNDER SECTION 612-A AND BOTH QUESTIONS  
25 ARE APPROVED, THE RATE OF THE TAX ON PERSONAL INCOME  
26 AUTHORIZED IN THIS SECTION SHALL BE CUMULATIVE IN ACCORDANCE  
27 WITH THE QUESTIONS APPROVED BY THE ELECTORS, EXCEPT THAT THE  
28 RATE OF THE ADDITIONAL EARNED INCOME TAX APPROVED PURSUANT TO  
29 THE OPTIONAL OCCUPATION TAX ELIMINATION ACT SHALL BE  
30 RECALCULATED TO UTILIZE THE LOCAL PERSONAL INCOME TAX BASE.

1     (C) COLLECTIONS.--

2             (1) EXCEPT AS PERMITTED BY PARAGRAPH (2), ANY SCHOOL  
3     DISTRICT IMPOSING A TAX UNDER THIS SECTION SHALL DESIGNATE  
4     THE TAX OFFICER WHO IS APPOINTED UNDER SECTION 10 OF THE  
5     LOCAL TAX ENABLING ACT, OR OTHERWISE BY LAW, AS THE COLLECTOR  
6     OF THE LOCAL PERSONAL INCOME TAX. IN THE PERFORMANCE OF THE  
7     TAX COLLECTION DUTIES UNDER THIS SECTION, THE DESIGNATED TAX  
8     OFFICER SHALL HAVE ALL THE SAME POWERS, RIGHTS,  
9     RESPONSIBILITIES AND DUTIES FOR THE COLLECTION OF THE TAXES  
10    WHICH MAY BE IMPOSED UNDER THE LOCAL TAX ENABLING ACT, 53  
11    PA.C.S. CH. 84 SUBCH. C (RELATING TO LOCAL TAXPAYERS BILL OF  
12    RIGHTS) OR AS OTHERWISE PROVIDED BY LAW.

13            (2) ANY SCHOOL DISTRICT IMPOSING A TAX UPON PERSONAL  
14    INCOME UNDER THE AUTHORITY OF THIS SECTION MAY ENTER INTO AN  
15    AGREEMENT WITH THE DEPARTMENT OF REVENUE FOR THE COLLECTION  
16    OF THAT TAX BY THE DEPARTMENT OF REVENUE IN CONJUNCTION WITH  
17    THE COLLECTION OF ANY TAX ON PERSONAL INCOME IMPOSED BY THE  
18    COMMONWEALTH UNDER THE AUTHORITY OF THE TAX REFORM CODE. THE  
19    AGREEMENT AUTHORIZED BY THIS SECTION SHALL CONTAIN A  
20    PROVISION APPOINTING THE DEPARTMENT OF REVENUE AS THE TAX  
21    OFFICER WITHIN THE MEANING OF THIS SECTION. THE DEPARTMENT OF  
22    REVENUE, BY REGULATION, SHALL ESTABLISH THE PROCEDURES FOR  
23    COLLECTING THAT TAX AND PAYING THE FULL AMOUNT COLLECTED OVER  
24    TO THE SCHOOL DISTRICT.

25            (D) LOCAL TAX CREDITS.--THE PROVISIONS OF SECTION 14 OF THE  
26    LOCAL TAX ENABLING ACT SHALL BE USED TO DETERMINE ANY CREDITS  
27    UNDER THE PROVISIONS OF THIS SECTION FOR ANY TAXES IMPOSED UNDER  
28    THIS SECTION ON THE EARNED INCOME PORTION OF THE PERSONAL INCOME  
29    TAX.

30            (E) STATE TAX CREDIT.--A CREDIT AGAINST PERSONAL INCOME TAX

1 DUE TO THE COMMONWEALTH UNDER SECTION 302 OF THE TAX REFORM CODE  
2 SHALL BE GRANTED TO ALL NONRESIDENTS OF A CITY OF THE FIRST  
3 CLASS WHO ARE SUBJECT TO A TAX IMPOSED BY A CITY OF THE FIRST  
4 CLASS PURSUANT TO THE ACT OF AUGUST 5, 1932 (SP.SESS., P.L.45,  
5 NO.45), REFERRED TO AS THE STERLING ACT. THE CREDIT SHALL EQUAL  
6 0.25% OF SALARIES, WAGES, COMMISSIONS, COMPENSATION OR OTHER  
7 INCOME RECEIVED FOR WORK DONE OR SERVICES PERFORMED WITHIN A  
8 CITY OF THE FIRST CLASS. THE SECRETARY OF REVENUE SHALL  
9 PROMULGATE SUCH REGULATIONS AND FORMS AS ARE NECESSARY TO  
10 IMPLEMENT THE PROVISIONS OF THIS SUBSECTION. THIS SECTION SHALL  
11 ONLY APPLY TO RESIDENTS OF SCHOOL DISTRICTS WHICH IMPOSE THE TAX  
12 UNDER THIS SUBCHAPTER. A GOVERNING BODY OF A SCHOOL DISTRICT IN  
13 A COUNTY OF THE SECOND CLASS A SHALL, AND A GOVERNING BODY OF A  
14 SCHOOL DISTRICT IN A COUNTY OF THE THIRD CLASS MAY, INCLUDE IN  
15 THE REFERENDUM QUESTION UNDER SECTION 612-A LANGUAGE ASKING  
16 WHETHER THE CREDIT AGAINST THE PERSONAL INCOME TAX IN THIS  
17 SUBSECTION SHOULD BE PROVIDED TO THE NONRESIDENT TAXPAYER IN THE  
18 CITY OF THE FIRST CLASS OR THE SCHOOL DISTRICT IN WHICH THE  
19 TAXPAYER RESIDES FOR THE PURPOSE OF MAKING ADDITIONAL TAX  
20 REDUCTIONS IN ACCORDANCE WITH SECTION 631-A. SHOULD ANY COURT OF  
21 COMPETENT JURISDICTION DETERMINE THAT THIS SUBSECTION IS  
22 UNCONSTITUTIONAL, THE PROVISIONS OF THIS SUBSECTION SHALL BE  
23 VOID AND NO CREDIT SHALL BE EXPANDED OR EXTENDED IN ANY WAY BY  
24 ANY COURT.

25 (F) LOW INCOME TAX CREDIT.--THE PROVISIONS OF SECTION 304 OF  
26 THE TAX REFORM CODE SHALL BE APPLIED TO THE LOCAL PERSONAL  
27 INCOME TAX BY ANY SCHOOL DISTRICT THAT LEVIES A TAX UNDER THIS  
28 SECTION.

29 (G) LOCAL PERSONAL INCOME TAX EXEMPTION.--A SCHOOL DISTRICT  
30 THAT IMPOSES A LOCAL PERSONAL INCOME TAX UNDER THIS SECTION MAY

1 EXEMPT FROM THE PAYMENT OF THAT TAX ANY PERSON WHOSE TOTAL  
2 INCOME FROM ALL SOURCES IS LESS THAN \$7,500.

3 (H) RULES AND REGULATIONS.--TAXES IMPOSED UNDER THIS SECTION  
4 SHALL BE SUBJECT TO ALL REGULATIONS ADOPTED BY THE DEPARTMENT OF  
5 REVENUE UNDER ARTICLE III OF THE TAX REFORM CODE. A SCHOOL  
6 DISTRICT MAY ADOPT REGULATIONS FOR THE PROCESSING OF CLAIMS FOR  
7 CREDITS OR EXEMPTIONS UNDER THIS SECTION.

8 (I) PROCEDURE AND ADMINISTRATION.--IN ORDER TO LEVY THE TAX  
9 UNDER THIS SECTION, THE GOVERNING BODY SHALL ADOPT A RESOLUTION  
10 WHICH SHALL REFER TO THIS SECTION.

11 (J) DISPOSITION OF LOCAL PERSONAL INCOME TAX REVENUE.--THE  
12 DISPOSITION OF REVENUE FROM A LOCAL PERSONAL INCOME TAX OR AN  
13 INCREASE IN THE RATE OF A LOCAL PERSONAL INCOME TAX IMPOSED BY  
14 SCHOOL DISTRICTS UNDER THE AUTHORITY OF THIS SECTION SHALL  
15 CONFORM TO SECTION 631-A.

16 (D) HOMESTEAD EXCLUSION.  
17 SECTION 631-A. DISPOSITION OF TAX REVENUE.

18 THE DISPOSITION OF REVENUE FROM A TAX OR AN INCREASE IN THE  
19 RATE OF A TAX AUTHORIZED UNDER SUBDIVISION (C) SHALL OCCUR IN  
20 THE FOLLOWING MANNER:

21 (1) FOR THE FISCAL YEAR OF IMPLEMENTATION OF A NEWLY  
22 IMPOSED TAX, ALL TAX REVENUE RECEIVED BY A SCHOOL DISTRICT  
23 SHALL BE USED FIRST TO OFFSET ANY LOST REVENUE TO THE SCHOOL  
24 DISTRICT FROM THE TAXES PROHIBITED UNDER SECTION 611-A(B) IN  
25 AN AMOUNT EQUAL TO THE REVENUE COLLECTED FROM THE PROHIBITED  
26 TAXES IN SECTION 611-A(B) IN THE PRECEDING FISCAL YEAR;  
27 SECOND, TO PROVIDE FOR AN INCREASE IN LOCAL TAX REVENUES OVER  
28 THE PRECEDING FISCAL YEAR IN ACCORDANCE WITH THE AMOUNT  
29 SPECIFIED IN THE REFERENDUM QUESTION APPROVED BY THE ELECTORS  
30 UNDER SECTION 612-A; AND THIRD, TO REDUCE THE SCHOOL DISTRICT

1 REAL PROPERTY TAX IN THE FOLLOWING ORDER:

2 (I) BY MEANS OF AN EXCLUSION FOR HOMESTEAD PROPERTY  
3 PURSUANT TO 53 PA.C.S. § 8583 (RELATING TO EXCLUSION FOR  
4 HOMESTEAD PROPERTY).

5 (II) BY MEANS OF A REDUCTION IN THE MILLAGE RATE  
6 AFTER THE LIMIT ON THE EXCLUSION FOR HOMESTEAD PROPERTY  
7 HAS BEEN REACHED UNDER 53 PA.C.S. § 8586 (RELATING TO  
8 LIMITATIONS).

9 (2) FOR THE FISCAL YEAR OF IMPLEMENTATION OF AN INCREASE  
10 IN THE RATE OF THE EXISTING TAX AUTHORIZED UNDER SUBDIVISION  
11 (C), ALL REVENUE RECEIVED BY A SCHOOL DISTRICT DIRECTLY  
12 ATTRIBUTABLE TO THE INCREASED RATE SHALL BE USED TO REDUCE  
13 THE SCHOOL DISTRICT REAL PROPERTY TAX IN THE FOLLOWING ORDER:

14 (I) BY MEANS OF AN EXCLUSION FOR HOMESTEAD PROPERTY  
15 PURSUANT TO 53 PA.C.S. § 8583.

16 (II) BY MEANS OF A REDUCTION IN THE MILLAGE RATE  
17 AFTER THE LIMIT ON THE EXCLUSION FOR HOMESTEAD PROPERTY  
18 HAS BEEN REACHED UNDER 53 PA.C.S. § 8586.

19 SECTION 632-A. CHANGES TO THE AMOUNT OF THE HOMESTEAD  
20 EXCLUSION.

21 (A) INCREASES IN THE HOMESTEAD EXCLUSION.--A SCHOOL DISTRICT  
22 MAY INCREASE THE AMOUNT OF THE EXCLUSION FOR HOMESTEAD PROPERTY  
23 REQUIRED PURSUANT TO SECTION 631-A CONSISTENT WITH THE  
24 PROHIBITIONS IN 53 PA.C.S. § 8586 (RELATING TO LIMITATIONS).

25 (B) DECREASES IN THE HOMESTEAD EXCLUSION.--EXCEPT AS  
26 PROVIDED IN SUBSECTION (C), A SCHOOL DISTRICT SHALL NOT HAVE THE  
27 POWER OR AUTHORITY TO REDUCE THE EXCLUSION FOR HOMESTEAD  
28 PROPERTY BELOW THE LEVEL AUTHORIZED PURSUANT TO THE REFERENDUM  
29 REQUIRED UNDER SECTION 612-A.

30 (C) REASSESSMENT.--AFTER A REVISION OF ASSESSMENTS BY MEANS

OF REVALUING ALL PROPERTIES, THE GOVERNING BODY PROVIDING AN  
EXCLUSION FOR HOMESTEAD PROPERTY UNDER SECTION 612-A SHALL  
ADJUST THE AMOUNT OF THE EXCLUSION PURSUANT TO 53 PA.C.S. §  
8583(E) (RELATING TO EXCLUSION FOR HOMESTEAD PROPERTY).  
SECTION 633-A. HOMESTEAD EXCLUSION PROCESS.

(A) LISTING REQUIRED.--NOT LATER THAN SEPTEMBER 1, 2003, AND  
NOT LATER THAN SEPTEMBER 1 OF EACH YEAR THEREAFTER, THE BOARD OF  
SCHOOL DIRECTORS OF EACH SCHOOL DISTRICT SHALL COMPILE A LISTING  
OF ALL REAL PROPERTY WITHIN THE SCHOOL DISTRICT THAT IT BELIEVES  
TO BE QUALIFIED AS A HOMESTEAD OR A FARMSTEAD AS THOSE TERMS ARE  
DEFINED UNDER 53 PA.C.S. § 8401 (RELATING TO DEFINITIONS) OR  
8582 (RELATING TO DEFINITIONS). THE SCHOOL DISTRICT SHALL USE  
INFORMATION OR STATEMENTS FROM THE OWNERS OR RESIDENTS OF THE  
PROPERTY IN COMPILING THE LIST. THIS LISTING MAY BE COMPILED AT  
THE SAME TIME AS THE ENUMERATION OF SCHOOL CHILDREN IS PERFORMED  
PURSUANT TO SECTION 1351.

(B) NOTIFICATION TO HOMESTEAD OWNERS.--IF THE ELECTORS OF A  
SCHOOL DISTRICT APPROVE A REFERENDUM QUESTION PURSUANT TO  
SECTION 612-A, THE BOARD OF SCHOOL DIRECTORS SHALL, BY FIRST  
CLASS MAIL, NOTIFY THE OWNERS OF EACH HOMESTEAD AND EACH  
FARMSTEAD ON THE LISTING REQUIRED BY THIS ACT THAT SUBMITTING AN  
APPLICATION IS REQUIRED UNDER 53 PA.C.S. CH. 85 SUBCH. F  
(RELATING TO HOMESTEAD PROPERTY EXCLUSION) PRIOR TO THE PROPERTY  
BEING QUALIFIED FOR ANY HOMESTEAD OR FARMSTEAD EXCLUSION  
AUTHORIZED BY LAW. THE NOTICE REQUIRED BY THIS SECTION SHALL  
INCLUDE A COPY OF THE APPLICATION REQUIRED BY THE ASSESSOR OF  
THE COUNTY WHERE THE PROPERTY IS LOCATED AND THE INSTRUCTIONS  
FOR COMPLETING AND RETURNING THE APPLICATION.

(C) ESTIMATES OF THE HOMESTEAD AND FARMSTEAD EXCLUSION.--THE  
LISTING OF HOMESTEADS AND FARMSTEADS REQUIRED TO BE COMPILED

1 UNDER THIS SECTION SHALL BE USED BY THE SCHOOL DISTRICT IN  
2 ESTIMATING THE AMOUNT OF THE HOMESTEAD EXCLUSION AND FARMSTEAD  
3 EXCLUSION TO BE AUTHORIZED PURSUANT TO SECTION 631-A FOR  
4 PURPOSES OF A REFERENDUM QUESTION UNDER SECTION 612-A.

5 (D) APPEALS.--REAL PROPERTY FOR WHICH AN APPLICATION UNDER  
6 53 PA.C.S. § 8584 (RELATING TO ADMINISTRATION AND PROCEDURE) HAS  
7 BEEN FILED BY MARCH 1, 2004, SHALL BE DEEMED TO BE HOMESTEAD  
8 PROPERTY OR FARMSTEAD PROPERTY, AS THE CASE MAY BE, FOR THE  
9 PURPOSES OF IMPLEMENTING A HOMESTEAD OR FARMSTEAD EXCLUSION  
10 UNDER 53 PA.C.S. § 8717 (RELATING TO DISPOSITION OF EARNED  
11 INCOME AND NET PROFITS TAX REVENUE) IN THE SCHOOL DISTRICT  
12 FISCAL YEAR BEGINNING JULY 1, 2004, UNLESS THE ASSESSOR DENIES  
13 THE APPLICATION WITHIN THE TIME PROVIDED BY LAW AND THE DENIAL  
14 IS UNAPPEALED OR UNAPPEALABLE. THE SCHOOL DISTRICT IS AUTHORIZED  
15 TO COLLECT TAXES, INTEREST AND PENALTY RELATING TO A HOMESTEAD  
16 OR FARMSTEAD EXCLUSION THAT IS DENIED AFTER SUCH DENIAL IS  
17 UNAPPEALED OR UNAPPEALABLE.

18 (E) REPORTS.--IN ADDITION TO A REPORT REQUIRED UNDER 53  
19 PA.C.S. § 8584(I), THE ASSESSOR SHALL BE REQUIRED TO PROVIDE A  
20 SUPPLEMENTAL REPORT CONTAINING THE INFORMATION REQUIRED UNDER 53  
21 PA.C.S. § 8584(I) FOR APPLICATIONS FILED BY MARCH 1, 2004. THE  
22 DATE OF THE SUPPLEMENTAL REPORT SHALL BE SET BY THE SCHOOL  
23 DISTRICT, BUT SHALL NOT BE EARLIER THAN JUNE 1, 2004.

24 (F) APPLICABILITY.--SUBSECTIONS (B), (C), (D) AND (E) SHALL  
25 APPLY ONLY TO SCHOOL DISTRICTS THAT APPROVE A REFERENDUM UNDER  
26 SECTION 612-A AT THE 2003 MUNICIPAL ELECTION.

27 (J) REGISTER.  
28 SECTION 691-A. REGISTER FOR TAXES.

29 (A) GENERAL RULE.--THE DEPARTMENT SHALL MAINTAIN AN OFFICIAL  
30 CONTINUING REGISTER SUPPLEMENTED ANNUALLY OF ALL LOCAL TAXES

1 LEVIED UNDER SUBDIVISION (C).

2 (B) CONTENTS OF REGISTER.--THE REGISTER SHALL LIST:

3 (1) THE SCHOOL DISTRICTS LEVYING LOCAL EARNED INCOME AND  
4 NET PROFITS TAX.

5 (2) THE RATE OF TAX AS STATED IN THE RESOLUTION LEVYING  
6 THE TAX.

7 (3) THE RATE ON TAXPAYERS.

8 (4) THE NAME AND ADDRESS OF THE OFFICIAL RESPONSIBLE FOR  
9 ADMINISTERING THE COLLECTION OF THE TAX AND FROM WHOM  
10 INFORMATION, FORMS AND COPIES OF REGULATIONS ARE AVAILABLE.

11 SECTION 692-A. INFORMATION FOR REGISTER.

12 INFORMATION FOR THE REGISTER SHALL BE FURNISHED BY THE SCHOOL  
13 DISTRICT TO THE DEPARTMENT AS PRESCRIBED BY THE DEPARTMENT. THE  
14 INFORMATION MUST BE RECEIVED BY THE DEPARTMENT NO LATER THAN  
15 JULY 15 OF EACH YEAR TO SHOW NEW TAX ENACTMENTS, REPEALS AND  
16 CHANGES. FAILURE TO COMPLY WITH THE FILING DATE MAY RESULT IN  
17 THE OMISSION OF THE TAX LEVY FROM THE REGISTER FOR THAT YEAR.  
18 FAILURE OF THE DEPARTMENT TO RECEIVE INFORMATION OF TAXES  
19 CONTINUED WITHOUT CHANGE MAY BE CONSTRUED BY THE DEPARTMENT TO  
20 MEAN THAT THE INFORMATION CONTAINED IN THE PREVIOUS REGISTER  
21 REMAINS IN FORCE.

22 SECTION 693-A. AVAILABILITY AND EFFECTIVE PERIOD OF REGISTER.

23 THE REGISTER, WITH SUCH ANNUAL SUPPLEMENTS AS MAY BE REQUIRED  
24 BY NEW TAX ENACTMENTS, REPEALS OR CHANGES, SHALL BE AVAILABLE  
25 UPON REQUEST NO LATER THAN AUGUST 15 OF EACH YEAR. THE EFFECTIVE  
26 PERIOD FOR EACH REGISTER SHALL BE FROM JULY 1 OF THE YEAR IN  
27 WHICH IT IS ISSUED TO JUNE 30 OF THE FOLLOWING YEAR.

28 SECTION 694-A. EFFECT OF NONFILING.

29 EMPLOYERS SHALL NOT BE REQUIRED BY ANY ORDINANCE TO WITHHOLD  
30 FROM THE COMPENSATION OF THEIR EMPLOYEES ANY LOCAL EARNED INCOME

1 AND NET PROFITS TAX IMPOSED UNDER SUBDIVISION (C) WHICH IS NOT  
2 LISTED IN THE REGISTER OR TO MAKE REPORTS OF COMPENSATION IN  
3 CONNECTION WITH TAXES NOT SO LISTED. IF THE REGISTER IS NOT  
4 AVAILABLE BY AUGUST 15, THE REGISTER OF THE PREVIOUS YEAR SHALL  
5 CONTINUE TO BE EFFECTIVE FOR AN ADDITIONAL PERIOD OF NOT MORE  
6 THAN ONE YEAR.

7 SECTION 695-A. EFFECT OF SUBDIVISION ON LIABILITY OF TAXPAYER.

8 THE PROVISIONS OF THIS SUBDIVISION SHALL NOT AFFECT THE  
9 LIABILITY OF ANY TAXPAYER FOR TAXES LAWFULLY IMPOSED UNDER  
10 SUBDIVISION (C).

11 SECTION 3. SECTION 771 OF THE ACT, AMENDED JANUARY 8, 1952  
12 (1951 P.L.1856, NO.497), IS AMENDED TO READ:

13 Section 771. Display of United States Flag; Development of  
14 Patriotism.--(a) The board of school directors in each district  
15 shall, when they are not otherwise provided, purchase a United  
16 States flag, flagstaff, and the necessary appliances therefor,  
17 and shall display said flag upon or near each public school  
18 building in clement weather, during school hours, and at such  
19 other times as the board may determine.

20 (b) All boards of school directors, all proprietors or  
21 principals of private schools, and all authorities in control of  
22 parochial schools or other educational institutions, shall  
23 display the United States national flag, not less than three  
24 feet in length, within all school buildings under their control  
25 during each day such schools are in session. In all public  
26 schools, the board of school directors shall make all rules and  
27 necessary regulations for the care and keeping of such flags.  
28 The expense thereof shall be paid by the school district.

29 (c) (1) All supervising officers and teachers in charge of  
30 public, private or parochial schools shall [establish and direct

1 the conduct of appropriate daily instruction or ceremonies, or,  
2 in lieu thereof,] cause the Flag of the United States of America  
3 to be displayed in every classroom during the hours of each  
4 school day, and shall provide for the recitation of the Pledge  
5 of Allegiance or the national anthem at the beginning of each  
6 school day. Students may decline to recite the Pledge of  
7 Allegiance and may refrain from saluting the flag on the basis  
8 of religious conviction or personal belief. The supervising  
9 officer of a school subject to the requirements of this  
10 subsection shall provide written notification to the parents or  
11 guardian of any student who declines to recite the Pledge of  
12 Allegiance or who refrains from saluting the flag.

13 (2) This subsection shall not apply to any private or  
14 parochial school for which the display of the flag, the  
15 recitation of the Pledge of Allegiance or the salute of the flag  
16 violates the religious conviction on which the school is based.

17 (d) The supervising officers and teachers in charge of  
18 public, private or parochial schools may offer at least one full  
19 period per week, for the purpose of affirming and developing  
20 allegiance to and respect for the Flag of the United States of  
21 America, and for the promoting of a clear understanding of our  
22 American way of life, with all of the unparalleled individual  
23 opportunities, and our republican form of government, with its  
24 responsiveness to majority decisions and demands. Such elements  
25 shall be included in this program as instruction in the  
26 fundamental principles of our form of government, an  
27 understanding of the provisions of the Constitution of the  
28 Commonwealth of Pennsylvania and the Constitution of the United  
29 States of America, the values to be found in the freedom of  
30 speech, of religion and of the press, the values to be found in

1 obedience to the laws of the land and the Commonwealth, the  
2 importance of exercising the right of franchise, the obligation  
3 of every citizen to stand ready to defend our country at all  
4 times from infiltration or aggression by those whose acts and  
5 ideologies are contrary to our American philosophy of life.

6 ~~Section 2. This act shall take effect in 60 days.~~ <—

7 SECTION 4. (A) NO SCHOOL DISTRICT SHALL CONDUCT A <—  
8 REFERENDUM PURSUANT TO 53 PA.C.S. § 8703 AFTER THE EFFECTIVE  
9 DATE OF THIS SECTION.

10 (B) EXCEPT AS PROVIDED UNDER SUBSECTION (C), A SCHOOL  
11 DISTRICT WHICH LEVIES THE TAX ON EARNED INCOME AND NET PROFITS  
12 UNDER 53 PA.C.S. CH. 87 MAY CONTINUE TO LEVY SUCH TAX AND SHALL  
13 CONTINUE TO BE SUBJECT TO THE PROVISIONS OF 53 PA.C.S. CH. 87.

14 (C) A SCHOOL DISTRICT WHICH LEVIES THE TAX ON EARNED INCOME  
15 AND NET PROFITS UNDER 53 PA.C.S. CH. 87 MAY OPT INTO THE  
16 PROVISIONS OF ARTICLE VI-A BY OBTAINING THE APPROVAL OF THE  
17 ELECTORATE OF THE SCHOOL DISTRICT PURSUANT TO SECTION 612-A. IF  
18 THE ELECTORATE OF THE AFFECTED SCHOOL DISTRICT APPROVES SUCH  
19 REFERENDUM, THE SCHOOL DISTRICT SHALL BE SUBJECT TO THE  
20 PROVISIONS OF ARTICLE VI-A AND SHALL NOT BE SUBJECT TO THE  
21 PROVISIONS OF 53 PA.C.S. CH. 87.

22 SECTION 5. THIS ACT SHALL TAKE EFFECT AS FOLLOWS:

23 (1) THE AMENDMENT OF SECTION 771 OF THE ACT SHALL TAKE  
24 EFFECT IN 60 DAYS.

25 (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT  
26 IMMEDIATELY.