

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1988

Session of
2007

INTRODUCED BY GERGELY, McCALL, ARGALL, BIANCUCCI, BRENNAN,
CALTAGIRONE, CARROLL, CASORIO, CURRY, DALEY, DeLUCA,
DePASQUALE, FABRIZIO, GABIG, GEIST, GEORGE, GOODMAN, GRUCELA,
HARHAI, HARKINS, HARRIS, HORNAMAN, HUTCHINSON, KIRKLAND,
KORTZ, MAHONEY, MUSTIO, PALLONE, PASHINSKI, PETRONE, PRESTON,
RAMALEY, READSHAW, REED, ROAE, SANTONI, SCAVELLO, K. SMITH,
SOLOBAY, STAIRS, SURRA, THOMAS, J. WHITE, WOJNAROSKI AND
YUDICHAK, OCTOBER 30, 2007

REFERRED TO COMMITTEE ON FINANCE, OCTOBER 30, 2007

A JOINT RESOLUTION

1 Proposing an amendment to the Constitution of the Commonwealth
2 of Pennsylvania, further providing for exemptions and special
3 provisions relating to taxation.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby resolves as follows:

6 Section 1. The rising cost of public education and of
7 providing local government services has resulted in dramatic
8 increases in local taxes over the past decade. In attempting to
9 meet their financial needs, the Commonwealth's local governments
10 and school districts have placed a disproportionate reliance on
11 the levying and collection of residential property taxes.

12 Since 1994, real property taxes have risen at the school
13 district level alone in excess of \$1,500,000,000. Not
14 surprisingly, the increases in real property taxes imposed by
15 school districts for purposes of funding public education, and

1 by local governments for purposes of providing services, have
2 placed a significant financial burden on homeowners throughout
3 this Commonwealth.

4 Under the current property tax system, senior citizens and
5 others face the very real possibility that increases in property
6 tax millage rates will force them to sell their homes because of
7 their inability to pay property taxes.

8 In addition, the specter of high property taxes makes it
9 difficult, if not impossible, for newlyweds, young families and
10 other young people to purchase a first home.

11 It is imperative that the citizens of this Commonwealth have
12 quality schools that provide quality educations and that their
13 local governments are able to properly fund and provide
14 necessary services.

15 However, it is also imperative that these areas are funded
16 through a tax system that does not rely on the taxation of
17 residential real estate.

18 The Commonwealth clearly is currently in the midst of a
19 property tax crisis that needs to be addressed immediately and
20 definitively. The continued vitality of this Commonwealth and
21 the safety and welfare of its citizens requires the expedited
22 amendment of the Constitution using the procedure set forth in
23 section 1(a) and (b) of Article XI.

24 Section 2. The following amendment to the Constitution of
25 Pennsylvania is proposed in accordance Article XI:

26 That section 2(b)(vi) of Article VIII be amended to read:

27 § 2. Exemptions and special provisions.

28 * * *

29 (b) The General Assembly may, by law:

30 * * *

(vi) Authorize local taxing authorities to exclude from taxation an amount based on the assessed value of homestead or farmstead property. The exclusions authorized by this clause shall not exceed [one-half] 100 percent of the [median] actual assessed value of [all] each homestead or farmstead property within a local taxing jurisdiction. A local taxing authority may not increase the millage rate of its tax on real property to pay for these exclusions.

* * *

Section 3. (a) Upon the first passage by the General Assembly of this proposed constitutional amendment, the Secretary of the Commonwealth shall proceed immediately to comply with the advertising requirements of section 1 of Article XI of the Constitution of Pennsylvania and shall transmit the required advertisements to two newspapers in every county in which such newspapers are published in sufficient time after passage of this proposed constitutional amendment.

(b) Upon the second passage by the General Assembly of this proposed constitutional amendment, the Secretary of the Commonwealth shall proceed immediately to comply with the advertising requirements of section 1 of Article XI of the Constitution of Pennsylvania and shall transmit the required advertisements to two newspapers in every county in which such newspapers are published in sufficient time after passage of this proposed constitutional amendment. The Secretary of the Commonwealth shall submit the proposed constitutional amendment under section 1 to the qualified electors of this Commonwealth at the first primary, general or municipal election which meets the requirements of and is in conformance with section 1 of Article XI of the Constitution of Pennsylvania and which occurs

- 1 at least three months after the proposed constitutional
- 2 amendment is passed by the General Assembly.