
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1164 Session of
2007

INTRODUCED BY O'PAKE, COSTA, STOUT, BOSCOLA, WASHINGTON,
KASUNIC, C. WILLIAMS, LAVALLE AND KITCHEN, NOVEMBER 19, 2007

REFERRED TO FINANCE, NOVEMBER 19, 2007

A JOINT RESOLUTION

1 Proposing emergency integrated amendments to the Constitution of
2 the Commonwealth of Pennsylvania, further providing for
3 uniformity of taxation and for tax exemptions and special tax
4 provisions.

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

7 Section 1. The General Assembly finds and declares as
8 follows:

9 (1) The system of funding public education in this
10 Commonwealth is broken, relying too heavily on the real
11 property tax, which does not accurately reflect an
12 individual's ability to pay.

13 (2) Many senior citizens and others living on fixed to
14 moderate incomes are being taxed out of their homes, while
15 many young families just starting out are prevented from
16 purchasing a first home and attaining the American dream of
17 homeownership because of the additional financial burden of
18 real property taxes.

1 (3) Of all the real property taxes imposed by political
2 subdivisions, the homeowner school property tax represents
3 the greatest burden and an extreme financial hardship for too
4 many of our citizens.

5 (4) The Constitution currently prohibits the General
6 Assembly from eliminating property taxes on homestead
7 property only and from imposing a graduated personal income
8 tax.

9 (5) This constitutional amendment is intended to seek
10 voter approval to eliminate the ability of school districts
11 to impose real estate taxes on homestead property and to
12 replace that revenue with funds derived from other sources.
13 These sources include the imposition of a graduated income
14 tax to be used solely to fund homestead property tax
15 elimination.

16 (6) The Commonwealth is in the midst of a property tax
17 crisis that needs to be addressed immediately and
18 definitively. The citizens of this Commonwealth, especially
19 the children, deserve quality schools that provide quality
20 educations. However, these needs must be funded through an
21 equitable system of taxation which does not rely on the
22 taxing of homestead property.

23 (7) A major emergency threatens this Commonwealth and
24 the safety and welfare of this Commonwealth and its citizens
25 require the expedited amendment of the Constitution using the
26 procedure set forth in Article XI.

27 Section 2. The following integrated amendments to the
28 Constitution of Pennsylvania are proposed in accordance with
29 Article XI:

30 (1) That section 1 of Article VIII be amended to read:

1 § 1. Uniformity of taxation.

2 [All] (a) Except as provided in subsection (b), all taxes
3 shall be uniform, upon the same class of subjects, within the
4 territorial limits of the authority levying the tax, and shall
5 be levied and collected under general laws.

6 (b) Any school district levying a tax on real property shall
7 be prohibited from levying the tax on homestead property for
8 taxable years beginning after the last day of the fiscal year in
9 which this subsection is ratified.

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

11 § 2. Exemptions and special provisions.

12 * * *

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

14 (i) Establish standards and qualifications for private
15 forest reserves, agricultural reserves, and land actively
16 devoted to agricultural use, and make special provision for the
17 taxation thereof;

18 (ii) Establish as a class or classes of subjects of taxation
19 the property or privileges of persons who, because of age,
20 disability, infirmity or poverty are determined to be in need of
21 tax exemption or of special tax provisions, and for any such
22 class or classes, uniform standards and qualifications. The
23 Commonwealth, or any other taxing authority, may adopt or employ
24 such class or classes and standards and qualifications, and
25 except as herein provided may impose taxes, grant exemptions, or
26 make special tax provisions in accordance therewith. No
27 exemption or special provision shall be made under this clause
28 with respect to taxes upon the sale or use of personal property,
29 and no exemption from any tax upon real property shall be
30 granted by the General Assembly under this clause unless the

1 General Assembly shall provide for the reimbursement of local
2 taxing authorities by or through the Commonwealth for revenue
3 losses occasioned by such exemption;

4 (iii) Establish standards and qualifications by which local
5 taxing authorities may make uniform special tax provisions
6 applicable to a taxpayer for a limited period of time to
7 encourage improvement of deteriorating property or areas by an
8 individual, association or corporation, or to encourage
9 industrial development by a non-profit corporation; and

10 (iv) Make special tax provisions on any increase in value of
11 real estate resulting from residential construction. Such
12 special tax provisions shall be applicable for a period not to
13 exceed two years.

14 (v) Establish standards and qualifications by which local
15 taxing authorities in counties of the first and second class may
16 make uniform special real property tax provisions applicable to
17 taxpayers who are longtime owner-occupants as shall be defined
18 by the General Assembly of residences in areas where real
19 property values have risen markedly as a consequence of the
20 refurbishing or renovating of other deteriorating residences or
21 the construction of new residences.

22 (vi) Authorize local taxing authorities to exclude from
23 taxation an amount based on the assessed value of homestead
24 property. The exclusions authorized by this clause shall not
25 exceed one-half of the median assessed value of all homestead
26 property within a local taxing jurisdiction. A local taxing
27 authority may not increase the millage rate of its tax on real
28 property to pay for these exclusions.

29 (vii) For purposes of funding the elimination of school
30 district real estate taxes on homestead property, establish

1 nonuniform rates of taxation for any tax levied on personal
2 income, increasing in proportion to the level of personal
3 income.

4 * * *

5 Section 3. (a) The General Assembly hereby determines that
6 a major emergency threatens or is about to threaten this
7 Commonwealth, and the safety or welfare of this Commonwealth
8 requires prompt amendment of the Constitution of Pennsylvania by
9 these constitutional amendments.

10 (b) Upon passage by the General Assembly of these proposed
11 constitutional amendments, the Secretary of the Commonwealth
12 shall proceed immediately to comply with the advertising
13 requirements of section 1(a) of Article XI of the Constitution
14 of Pennsylvania and shall transmit the required advertisements
15 to two newspapers in every county in which such newspapers are
16 published in sufficient time after passage of these proposed
17 constitutional amendments. The Secretary of the Commonwealth
18 shall submit these proposed constitutional amendments to the
19 qualified electors of this Commonwealth as a single ballot
20 question at the first primary, general or municipal election
21 occurring at least one month after the proposed constitutional
22 amendments are passed by the General Assembly which meets the
23 requirements of and is in conformance with section 1(a) of
24 Article XI of the Constitution of Pennsylvania.