
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1165 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 integrated amendments to the Constitution of the
2 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. The citizens of this
18 Commonwealth, especially the children, deserve quality
19 schools that provide quality educations. However, these needs
20 must be funded through an equitable system of taxation which
21 does not rely on the taxing of homestead property.

22 Section 2. The following integrated amendments to the
23 Constitution of Pennsylvania are proposed in accordance with
24 Article XI:

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

26 § 1. Uniformity of taxation.

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

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

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

6 § 2. Exemptions and special provisions.

7 * * *

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

9 (i) Establish standards and qualifications for private
10 forest reserves, agricultural reserves, and land actively
11 devoted to agricultural use, and make special provision for the
12 taxation thereof;

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

29 (iii) Establish standards and qualifications by which local
30 taxing authorities may make uniform special tax provisions

1 applicable to a taxpayer for a limited period of time to
2 encourage improvement of deteriorating property or areas by an
3 individual, association or corporation, or to encourage
4 industrial development by a non-profit corporation; and

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

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

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

24 (vii) For purposes of funding the elimination of school
25 district real estate taxes on homestead property, establish
26 nonuniform rates of taxation for any tax levied on personal
27 income, increasing in proportion to the level of personal
28 income.

29 * * *

30 Section 3. (a) Upon the first passage by the General

1 Assembly of these proposed constitutional amendments, the
2 Secretary of the Commonwealth shall proceed immediately to
3 comply with the advertising requirements of section 1 of Article
4 XI of the Constitution of Pennsylvania and shall transmit the
5 required advertisements to two newspapers in every county in
6 which such newspapers are published in sufficient time after
7 passage of these proposed constitutional amendments.

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