
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 584 Session of
2011

INTRODUCED BY FERLO, FONTANA, STACK, COSTA, BROWNE, WOZNIAK AND
BREWSTER, FEBRUARY 18, 2011

REFERRED TO FINANCE, FEBRUARY 18, 2011

AN ACT

1 Amending the act of June 27, 2006 (1st Sp.Sess., P.L.1873,
2 No.1), entitled "An act providing for taxation by school
3 districts, for the State funds formula, for tax relief in
4 first class cities, for school district choice and voter
5 participation, for other school district options and for a
6 task force on school cost reduction; making an appropriation;
7 prohibiting prior authorized taxation; providing for
8 installment payment of taxes; restricting the power of
9 certain school districts to levy, assess and collect taxes;
10 and making related repeals," further providing for homestead
11 and farmstead exclusions.

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

14 Section 1. Sections 341 and 342 of the act of June 27, 2006
15 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief
16 Act, are amended to read:

17 Section 341. Homestead and farmstead applications.

18 (a) [(Reserved).] Availability of applications.--Each school
19 district and county assessor shall be required to make the
20 application and instructions to designate property as homestead
21 or farmstead property for purposes of receiving school district
22 property tax relief under this act available to property owners.

1 The applications shall be made available at the administrative
2 offices of the school district, the county assessor's office
3 and, if one is maintained, the school district's or county
4 assessor's Internet website. Notwithstanding any other provision
5 of law to the contrary, applications shall be available to
6 property owners at all times.

7 (b) Annual notification.--

8 (1) No later than 60 days prior to the application
9 deadline in subsection (c), a board of school directors shall
10 notify by first class mail the owner of each parcel of
11 residential property within the district of [the existence of
12 the school district's homestead and farmstead exclusion
13 program, the need to file an application in accordance with
14 53 Pa.C.S. § 8584(a) (relating to administration and
15 procedure) in order to qualify for the program and the
16 application deadline] all of the following:

17 (i) The owner may qualify for State funds to reduce
18 school district property taxes on the owner's primary
19 residence.

20 (ii) Funds used to reduce residential property taxes
21 are generated through taxes imposed on legalized gaming
22 in this Commonwealth's casinos and, if applicable, earned
23 income or personal income taxes levied by the school
24 district.

25 (iii) The owner must apply for the property tax
26 reduction by March 1 and have such application approved
27 in order to receive the property tax reduction.

28 (iv) That an application can be obtained from the
29 school district's or the county assessor's office.

30 (iv) The name, mailing address and Internet website

1 of the entity with which the application shall be filed.

2 (v) Failure of an owner to apply for property tax
3 reduction funds will result in the owner being ineligible
4 to receive property tax reduction funds for the upcoming
5 year.

6 A school district may limit the annual notification to owners
7 of residential property:

8 [(1)] (i) who are not currently approved; or

9 [(2)] (ii) whose approval is due to expire.

10 (2) Beginning on January 1, 2012, the Department of
11 Community and Economic Development, each school district and
12 each county assessor shall publicize the existence of the
13 property tax relief program created pursuant to this act on
14 its Internet website, if it maintains such a website. The
15 website, at a minimum, shall provide the information required
16 under paragraph (1).

17 (c) Application deadline.--In accordance with 53 Pa.C.S. §
18 8584(b), the deadline for filing an application with the
19 assessor shall be March 1.

20 (d) Action on application.--Real property for which an
21 application has been filed by the application deadline shall be
22 deemed to be a homestead or farmstead property which is eligible
23 for a homestead or farmstead exclusion unless the assessor
24 denies the application. Denials of application by the assessor
25 and the right to appeal that decision shall be in accordance
26 with 53 Pa.C.S. § 8584(d) and (e).

27 (e) Application review and submission.--Except as set forth
28 in 53 Pa.C.S. § 8584(j), an assessor shall not require the owner
29 of a previously approved property to resubmit an application
30 more than one time every [three] five years.

1 (f) Applicability.--The provisions of 53 Pa.C.S. § 8584(f),
2 (g), (h) and (j) shall apply to any application filed under this
3 section.

4 (g) Duties of assessors.--

5 (1) The assessor shall mail to the owner of property for
6 which an application has been submitted and approved or
7 denied under this section notice of such fact no later than
8 30 days after receipt of the application.

9 (2) (i) The assessor shall notify, in writing, the
10 owner of any homestead or farmstead property designated
11 as such under any other statute of the need, if any, to
12 resubmit an application to maintain the property's
13 eligibility as a homestead or farmstead property.

14 (ii) Nothing in this paragraph shall be construed to
15 prohibit a county assessor from designating property
16 previously determined to be homestead property under any
17 other statute as homestead or farmstead property for
18 purposes of this section.

19 (3) The assessor shall provide each school district and
20 the Department of Community and Economic Development with a
21 certified report, as provided in 53 Pa.C.S. § 8584(i), no
22 later than May 1.

23 (4) The assessor shall publicize the existence of the
24 school district property tax reduction program created
25 pursuant to this act on its Internet website in accordance
26 with subsection (b) (2).

27 (5) In addition to the requirements of this section, the
28 assessor shall make applications available to property owners
29 at the office of the assessor on its Internet website.

30 (6) No later than November 1 of each year, the assessor

1 shall submit an official copy of its application to the
2 Department of Community and Economic Development, which shall
3 post the application on its Internet website.

4 (h) Uniform application and instructions.--[The application]

5 (1) The Department of Community and Economic Development
6 shall develop the application and instructions to be used by
7 county assessors to designate property as homestead or
8 farmstead property for purposes of receiving school district
9 property tax relief. The application and instructions shall
10 [be uniform and shall include instructions for completing the
11 application. The Department of Community and Economic
12 Development shall develop a uniform application and
13 instructions to be used by county assessors and shall publish
14 the uniform application and instructions no later than 15
15 days after the effective date of this section. Nothing in
16 this subsection shall be construed to require the department
17 to develop and publish the uniform allocation and
18 instructions if the department did so during calendar year
19 2004.]:

20 (i) be uniform in each county throughout this
21 Commonwealth;

22 (ii) clearly state that the application must be
23 submitted by the property owner in order for the property
24 owner to be eligible for a school district property tax
25 reduction;

26 (iii) inform the property owner that funds used to
27 reduce residential property taxes under this act are
28 generated through taxes imposed on legalized gaming in
29 this Commonwealth's casinos and, if applicable, earned
30 income or personal income taxes levied by the school

1 district;

2 (iv) advise the property owner that he must apply
3 for the property tax reduction by March 1 of each year
4 and have such application approved in order to receive
5 the property tax reduction;

6 (v) inform the property owner of the name, mailing
7 address and Internet website of the entity with which the
8 application shall be filed; and

9 (vi) inform the property owner that failure of an
10 owner to apply for property tax reduction funds will
11 result in the owner being ineligible to receive property
12 tax reduction funds for the upcoming year.

13 (2) The Department of Community and Economic Development
14 shall publish the uniform application and instructions
15 required under paragraph (1) in the Pennsylvania Bulletin and
16 on its Internet website no later than 30 days after the
17 effective date of this paragraph.

18 (i) Prohibitions.--A county shall not require an application
19 fee for the filing or review of an application submitted under
20 this section or under 53 Pa.C.S. § 8584(a).

21 (j) Applications previously filed.--An application filed
22 between September 3, 2004, and the effective date of this
23 section shall be used to qualify an applicant for the program.
24 Section 342. Homestead and farmstead exclusion process.

25 Each fiscal year in which a school district imposes a tax
26 authorized under section 321 or receives a property tax
27 reduction allocation from gaming tax revenues pursuant to
28 Chapter 5, the district shall calculate a homestead and
29 farmstead exclusion for the purpose of reducing school district
30 property taxes. The school district shall adopt a resolution

1 implementing the homestead and farmstead exclusion no later than
2 the last day of the fiscal year immediately preceding the fiscal
3 year in which the homestead and farmstead exclusions shall take
4 effect.

5 Section 2. The act is amended by adding a section to read:

6 Section 342.1. Acknowledgment of receipt of funds from Property
7 Tax Relief Fund.

8 Upon receipt of notice from the department of the amount of
9 the school district's property tax allocation pursuant to
10 section 505(a) (4), and prior to adoption of the resolution
11 required under section 342 or a final budget for the upcoming
12 fiscal year, the governing body of each school district shall
13 adopt a separate resolution setting forth all of the following:

14 (1) The amount of the school district's property tax
15 reduction allocation.

16 (2) The amount each qualified homestead and farmstead
17 property owner will receive in school district property tax
18 relief from State gaming revenue based on the amount of the
19 school district's allocation identified in paragraph (1).

20 (3) An estimate of the amount of additional property tax
21 relief to be received by the property owner based on any
22 earned income tax or personal income tax levied by the school
23 district, if applicable.

24 Section 3. Section 343 of the act is amended to read:

25 Section 343. School district tax notices.

26 (a) Tax notice.--A [school district that implements
27 homestead and farmstead exclusions shall itemize the homestead
28 and farmstead exclusion on tax bills sent to homestead and
29 farmstead owners, indicating the original amount of tax
30 liability, the amount of the exclusion and the net amount of tax

1 due after the exclusion is applied. The tax bill shall be easily
2 understandable and include a notice pursuant to subsection (b).]
3 school district tax bill sent to a homestead or farmstead
4 property owner shall include an itemized list of the following
5 information:

6 (1) The property owner's tax liability.

7 (2) The property owner's assessment.

8 (3) The amount that the property owner's assessment has
9 been reduced as a result of a homestead and farmstead
10 exclusion.

11 (4) The amount of property tax relief received by the
12 property owner for the fiscal year from proceeds from
13 legalized gaming within this Commonwealth as certified under
14 section 342.1(2).

15 (5) The estimated amount of property tax relief received
16 by the property owner for the fiscal year from revenues on
17 any earned income tax or personal income tax levied by the
18 school district, if applicable, as certified under section
19 342.1(3).

20 (6) The dollar amount of any millage rate increase
21 adopted by the governing body for the upcoming fiscal year.

22 The tax bill shall be easily understandable and include a notice
23 pursuant to subsection (b).

24 (b) Notice of property tax relief.--[A school district that
25 implements homestead and farmstead exclusions] Each school
26 district shall include with the homestead or farmstead owner's
27 tax bill a notice that the [tax bill includes a homestead or
28 farmstead exclusion] individual has received property tax relief
29 generated through taxes imposed on legalized gaming in this
30 Commonwealth's casinos and, if applicable, earned income taxes

1 levied by the school district. The notice shall at a minimum
2 take the following form:

3 NOTICE OF PROPERTY TAX RELIEF

4 Your enclosed tax bill includes a tax reduction [for your
5 homestead and/or farmstead property. As an eligible homestead
6 and/or farmstead property owner, you have received tax relief
7 through a homestead and/or farmstead exclusion] which has been
8 provided under the Pennsylvania Taxpayer Relief Act, a law
9 passed by the Pennsylvania General Assembly designed to reduce
10 your property taxes through taxes imposed on legalized gaming in
11 this Commonwealth's casinos and earned income or personal income
12 taxes levied by the school district. To date, you have received
13 \$ _____ in property tax relief through taxes imposed on legalized
14 gaming in this Commonwealth's casinos. However, this amount does
15 not reflect any property tax increases imposed by the board of
16 school directors during that same period.

17 Section 4. This act shall take effect in 60 days.