

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 41 Session of 2013

INTRODUCED BY FERLO, BREWSTER, STACK, TARTAGLIONE, BROWNE,
TEPLITZ, RAFFERTY AND VULAKOVICH, JANUARY 4, 2013

REFERRED TO FINANCE, JANUARY 4, 2013

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 applications and for homestead and farmstead
12 exclusion process; providing for acknowledgment of receipt of
13 funds from Property Tax Relief Fund; and further providing
14 for school district tax notices.

15 The General Assembly of the Commonwealth of Pennsylvania
16 hereby enacts as follows:

17 Section 1. Sections 341 and 342 of the act of June 27, 2006
18 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer Relief
19 Act, are amended to read:

20 Section 341. Homestead and farmstead applications.

21 (a) [(Reserved).] Availability of applications.--Each school
22 district and county assessor shall make available to property
23 owners the application and instructions to designate property as
24 homestead or farmstead property for purposes of receiving school

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

8 (b) Annual notification.--

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

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

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

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

29 (iv) An application can be obtained from the school
30 district's or the county assessor's office.

1 (v) The name, mailing address and Internet website
2 of the entity with which the application shall be filed.

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

7 (2) A school district may limit the annual notification
8 to owners of residential property:

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

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

11 (3) Beginning on January 1, 2014, the Department of
12 Community and Economic Development, each school district and
13 each county assessor shall publicize the existence of the
14 property tax relief program created pursuant to this act on
15 its Internet website, if it maintains a website. The website,
16 at a minimum, shall provide the information required under
17 paragraph (1).

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

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

28 (e) Application review and submission.--Except as set forth
29 in 53 Pa.C.S. § 8584(j), an assessor shall not require the owner
30 of a previously approved property to resubmit an application

1 more than one time every [three] five years.

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

5 (g) Duties of assessors.--

6 (1) The assessor shall mail to the owner of property for
7 which an application has been submitted and approved or
8 denied under this section notice of such fact no later than
9 30 days after receipt of the application.

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

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

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

24 (4) The assessor shall publicize the existence of the
25 school district property tax reduction program created
26 pursuant to this act on its Internet website in accordance
27 with subsection (b)(3).

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

1 (6) No later than November 1 of each year, the assessor
2 shall submit an official copy of its application to the
3 Department of Community and Economic Development, which shall
4 post the application on its Internet website.

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

6 (1) The Department of Community and Economic Development
7 shall develop a uniform application and instructions to be
8 used by county assessors in each county throughout this
9 Commonwealth to designate property as homestead or farmstead
10 property for purposes of receiving school district property
11 tax relief. The application and instructions shall [be
12 uniform and shall include instructions for completing the
13 application. The Department of Community and Economic
14 Development shall develop a uniform application and
15 instructions to be used by county assessors and shall publish
16 the uniform application and instructions no later than 15
17 days after the effective date of this section. Nothing in
18 this subsection shall be construed to require the department
19 to develop and publish the uniform allocation and
20 instructions if the department did so during calendar year
21 2004.]:

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

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

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

5 (iv) state the name, mailing address and Internet
6 website of the entity with which the application must be
7 filed; and

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

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

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

20 (j) Applications previously filed.--An application filed
21 between September 3, 2004, and the effective date of this
22 section shall be used to qualify an applicant for the program.

23 Section 342. Homestead and farmstead exclusion process.

24 Each fiscal year in which a school district imposes a tax
25 authorized under section 321 or receives a property tax
26 reduction allocation from gaming tax revenues pursuant to
27 Chapter 5, the district shall calculate a homestead and
28 farmstead exclusion for the purpose of reducing school district
29 property taxes. The school district shall adopt a resolution
30 implementing the homestead and farmstead exclusion no later than

1 the last day of the fiscal year immediately preceding the fiscal
2 year in which the homestead and farmstead exclusions shall take
3 effect.

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

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

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

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

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

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

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

24 Section 343. School district tax notices.

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

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

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

6 (2) The property owner's assessment.

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

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

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

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

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

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

1 take the following form:

2 NOTICE OF PROPERTY TAX RELIEF

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

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