

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2188 Session of  
2024

INTRODUCED BY FRIEL, MADDEN, T. DAVIS, GIRAL, PROBST, SANCHEZ,  
HILL-EVANS, SCOTT, GREEN AND OTTEN, APRIL 8, 2024

REFERRED TO COMMITTEE ON FINANCE, APRIL 8, 2024

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An  
2 act relating to the public school system, including certain  
3 provisions applicable as well to private and parochial  
4 schools; amending, revising, consolidating and changing the  
5 laws relating thereto," in school finances, providing for  
6 commercial property tax redistribution.

7 The General Assembly of the Commonwealth of Pennsylvania  
8 hereby enacts as follows:

9 Section 1. The act of March 10, 1949 (P.L.30, No.14), known  
10 as the Public School Code of 1949, is amended by adding a  
11 section to read:

12 Section 618. Commercial Property Tax Redistribution.--(a)  
13 Each intermediate unit shall establish a commercial property tax  
14 group for the purpose of collecting a portion of commercial  
15 property tax for redistribution to school districts served by  
16 the intermediate unit.

17 (b) Each school district shall select one representative to  
18 serve on the commercial property tax group established by the  
19 intermediate unit that serves the school district.

20 (c) Each school district shall provide the following to its

1 respective commercial property tax group:

2 (1) In the first tax year beginning after the effective date  
3 of this paragraph, ten percent of the property taxes that the  
4 school district collected for that year on commercial properties  
5 located in the school district with a minimum assessment value  
6 of ten million dollars (\$10,000,000).

7 (2) In the second tax year beginning after the effective  
8 date of this paragraph, twenty percent of the property taxes  
9 that the school district collected for that year on commercial  
10 properties located in the school district with a minimum  
11 assessment value of ten million dollars (\$10,000,000).

12 (3) In the third tax year beginning after the effective date  
13 of this paragraph, thirty percent of the property taxes that the  
14 school district collected for that year on commercial properties  
15 located in the school district with a minimum assessment value  
16 of ten million dollars (\$10,000,000).

17 (4) In the fourth tax year beginning after the effective  
18 date of this paragraph, forty percent of the property taxes that  
19 the school district collected for that year on commercial  
20 properties located in the school district with a minimum  
21 assessment value of ten million dollars (\$10,000,000).

22 (5) In the fifth tax year beginning after the effective date  
23 of this paragraph, fifty percent of the property taxes that the  
24 school district collected for that year on commercial properties  
25 located in the school district with a minimum assessment value  
26 of ten million dollars (\$10,000,000).

27 (6) In the sixth tax year beginning after the effective date  
28 of this paragraph, sixty percent of the property taxes that the  
29 school district collected for that year on commercial properties  
30 located in the school district with a minimum assessment value

1 of ten million dollars (\$10,000,000).

2 (7) In the seventh tax year beginning after the effective  
3 date of this paragraph and each tax year thereafter, seventy  
4 percent of the property taxes that the school district collected  
5 for that year on commercial properties located in the school  
6 district with a minimum assessment value of ten million dollars  
7 (\$10,000,000).

8 (d) Each commercial property tax group under this section  
9 shall establish a revenue account to deposit commercial property  
10 taxes from each school district.

11 (e) Each commercial property tax group under this section  
12 shall distribute the revenue to each school district served by  
13 the intermediate unit proportionately based on the school  
14 district's average daily membership in comparison to the total  
15 average daily membership for all school districts served by the  
16 intermediate unit.

17 (f) As used in this section, the following words and phrases  
18 shall have the meanings given to them in this subsection unless  
19 the context clearly indicates otherwise:

20 "Average daily membership." As defined in section 2501(3).

21 "Commercial property tax." Real property taxes collected on  
22 commercial real estate.

23 "Commercial real estate." As follows:

24 (1) Real estate that is zoned for a use other than  
25 residential or agricultural purposes.

26 (2) For a property that is zoned for mixed-use that includes  
27 residential purposes, the term includes the portion of the real  
28 property not designated for residential use based on the square  
29 footage of residential space in relation to the total square  
30 footage of the real property.

1       (3) The term does not include single-family residential  
2 units or building lots such as condominiums, townhouses or homes  
3 in a subdivision when sold, leased or otherwise conveyed on a  
4 unit-by-unit basis even though the units may be part of a larger  
5 building or parcel of real estate.

6       Section 2. This act shall take effect in 60 days.