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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 1303 Session of  
2011

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INTRODUCED BY WILLIAMS, KITCHEN, STACK, HUGHES, WASHINGTON,  
FARNESE AND TARTAGLIONE, OCTOBER 26, 2011

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REFERRED TO EDUCATION, OCTOBER 26, 2011

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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," further providing for distress in  
6 school districts of the first class.

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

9 Section 1. Section 696(h) of the act of March 10, 1949  
10 (P.L.30, No.14), known as the Public School Code of 1949,  
11 amended June 29, 2002 (P.L.524, No.88), is amended and the  
12 section is amended by adding a subsection to read:

13 Section 696. Distress in School Districts of the First  
14 Class.--\* \* \*

15 (h) The School Reform Commission shall be responsible for  
16 financial matters related to the distressed school district of  
17 the first class and subject to the provisions of subsection  
18 (h.1):

19 (1) All taxes authorized to be levied by a school district  
20 of the first class or for a school district of the first class

1 by a city or county of the first class on the date of the  
2 declaration of distress shall continue to be authorized and  
3 levied in accordance with this act and shall be transmitted to  
4 the school district. For the first fiscal year or part thereof  
5 and every fiscal year thereafter in which the school district is  
6 declared to be distressed, the amount appropriated or paid by  
7 the city or county to the school district and the tax authorized  
8 by the city or county to be levied for the school district or  
9 dedicated to the school district shall be an amount or tax not  
10 less than the highest amount paid by the city or county to the  
11 school district or authorized by the city or county to be levied  
12 for the school district or dedicated to the school district  
13 during any of the three full preceding fiscal years. In  
14 addition, the city of the first class shall provide to the  
15 school district of the first class all other available local  
16 non-tax revenue, including grants, subsidies or payments made  
17 during the prior year.

18 (2) In addition to the moneys collected under paragraph (1),  
19 the city of the first class shall remit to the school district  
20 of the first class for each year that the school district is  
21 declared distressed that portion of all other local tax revenue  
22 levied for a full fiscal year by a city or county of the first  
23 class coterminous with a school district of the first class that  
24 was allocated to the school district prior to the school  
25 district being declared distressed in accordance with section  
26 691(c).

27 (3) All taxes collected on behalf of a school district of  
28 the first class by any person or entity, including a city or  
29 county of the first class, shall be promptly paid following  
30 collection to the School Reform Commission for the benefit of

1 the school district.

2 (4) In the event the city or county of the first class does  
3 not meet the financial obligations prescribed in this  
4 subsection, the Commonwealth may apply to that obligation any  
5 amounts otherwise due from the Commonwealth to the city or  
6 county of the first class, including, but not limited to,  
7 grants, awards and moneys collected by the Commonwealth on  
8 behalf of the city or county of the first class. Funds withheld  
9 shall be maintained in a separate account by the State Treasurer  
10 to be disbursed as determined by the Secretary of Education in  
11 consultation with the State Treasurer.

12 (5) The School Reform Commission shall adopt a budget.

13 (h.1) For any year for which the body with responsibility  
14 for the making of assessments of real property in a city of the  
15 first class certifies that the total assessed value of all real  
16 property in the city is more than two times the total assessed  
17 value for the previous year, and for each year thereafter:

18 (1) Subsection (h) (1), (2), (3) and (4) shall not apply,  
19 provided that for so long as the district remains subject to a  
20 declaration of distress, for each year subsequent to the year  
21 for which the board so certifies, the city shall authorize for a  
22 school district a rate of tax no less than the rate of tax  
23 authorized by the city for the immediately preceding year.

24 (2) The authorization of tax for school districts of the  
25 first class set forth in the following acts shall not apply:

26 (i) Section 652 of this act.

27 (ii) The act of May 23, 1949 (P.L.1661, No.505), entitled,  
28 as reenacted and amended, "An act to impose a tax on real estate  
29 for public school purposes in school districts of the first  
30 class and of the first class A for current expenses."

1 (iii) The act of July 8, 1957 (P.L.548, No.303), entitled  
2 "An act to impose an additional tax on real estate for public  
3 school purposes in school districts of the first class for  
4 current expenses."

5 (iv) The act of November 19, 1959 (P.L.1552, No.557),  
6 entitled "An act imposing a tax on real estate for public school  
7 purposes in school districts of the first class and first class  
8 A for current expenses."

9 (v) The act of August 8, 1963 (P.L.592, No.310), entitled  
10 "An act to impose an additional tax on real estate for public  
11 school purposes in school districts of the first class for  
12 general public school purposes."

13 (3) The provisions of paragraph (2) shall continue after the  
14 expiration of a declaration of distress.

15 \* \* \*

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