

Remarks by Senator Brubaker, Chairman:

Good morning. Today's hearing marks the beginning of the Senate Finance Committee's review of Senate Bill 1400.

Senate Bill 1400 enacts the Property Tax Independence Act and is a significant piece of legislation introduced by Senator Argall, Senator Folmer, and Senator Piccola. I applaud the ambitious approach to addressing property taxes set forth in Senate Bill 1400.

School property taxes continue to be an area of chief concern for many Pennsylvania residents. The issue of property taxes is daunting in its scope, touching on a broad range of sub issues including funding for education, economic growth, and public pension obligations.

Whether you support or oppose Senate Bill 1400 there cannot be any disagreement on the fact that many of our constituents feel that they are inconsistently and unfairly subject to school property taxes in Pennsylvania. Our role is to assess Senate Bill 1400 based on whether it effectively addresses the problem it is intended to solve and to consider all consequences that could reasonably follow from this bill becoming law.

It is clear that the goal of Senate Bill 1400 is to eliminate school property taxes in a fiscally neutral manner by creating an option for school districts to enact replacement taxes and by creating additional taxes at the state level. The central question that we must consider during the course of our work on Senate Bill 1400 is whether school property taxes are so unworkable to require a complete overhaul, replacing it with a brand new tax scheme to fund education. Some say that property taxes are inherently unfair by their regressive nature and lack a sound basis in public policy. For this reason, some advocate doing away with property taxes as a necessary end of itself. On the other hand, some argue that this issue is not so much about property taxes in theory but the out of control costs that create the need for additional property tax dollars.

It is my hope that our discussion should examine merits of our current school property tax system in total. If we find the current system fails both in its principles and in its application then we should replace it. If we find there are additional legislative alternatives to doing away with property taxes while addressing unsustainable costs at the school district level, then we should focus on developing those measures.

Today's hearing is a good first step in the process. We will hear from a diverse group of stakeholders whose interests, and those of the people they represent, are impacted by Senate Bill 1400. It is clear that Senate Bill 1400 raises many issues that deserve thoughtful debate. As Chairman, I am committed to working with the sponsors of Senate Bill 1400 to make sure it effectively carries out meaningful reform. In addition, I think we must strive to address many of the concerns raised today. I believe that an issue as important to our constituents as school property tax reform requires taking into account all viewpoints. Our goal should be to find agreement on the appropriate and reasonable responses to all valid concerns. This is all part of a healthy and worthwhile process and I look forward to the discussion.