



# Senate Finance Committee

168 Main Capitol Building  
Harrisburg, PA 17120-0036  
(717) 787-4420

**Senator Mike Brubaker**  
*Chairman*

Mark Ryan  
*Executive Director*  
mryan@pasen.gov

## BILL SUMMARY

**Legislation:** Senate Bill 911, P.N. 944  
**Sponsor:** Senator Brubaker  
**Act Amended:** Taxpayer Relief Act  
**Topic:** Restrictions on school property tax increases  
**Date:** March 31, 2011

### Summary:

Senate Bill 911 eliminates the exceptions that permit a school district to increase property tax rates by more than the index authorized in Act 1 without submitting the tax increase for approval at a voter referendum.

The legislation maintains requirements in existing law that the tax increases authorized under certain exceptions be rescinded after the conditions giving rise to the exception are resolved or, in the case of debt, after the final payment of the debt.

The legislation would apply to school district fiscal years beginning after December 31, 2011.

### Current Law:

Section 333 of the Taxpayer Relief Act generally requires a public referendum to increase taxes for the support of the public schools for any proposed increase that exceeds the index as defined in the act.

The statute authorizes a number of exceptions to the referendum requirement.

School districts must request approval for the following exceptions from the Department of Education. Approval is based on meeting the criteria in the statute. Each exception has its own specific criteria.

- Pension Obligations
- Special Education Expenditures
- School Construction:
  - Academic School Construction Project
  - Nonacademic School Construction Project
  - Grandfathered Debt
  - Electoral Debt

- Maintenance of Selected Revenue Sources
- Maintenance of Local Tax Revenue or Actual Instruction Expense per Average Daily Membership
- Grandfathered Health Care-Related Benefits

Approval from the Court of Common Pleas is required for the following exceptions:

- Emergency or disaster declared by the Governor
- Implementation of a court order or administrative order from a Federal or State agency
- Immediate threat of serious physical harm or injury to the students, staff or residents of the school district

Section 333 also provides for the process and timeline for requesting and approving exceptions to the referendum requirement.