



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

HOUSE BILL NO. 2536

PRINTER'S NO. 3707

PRIME SPONSOR: Sappey

### COST / (SAVINGS)

FUND	FY 2024/25	FY 2025/26
General Fund	See Fiscal Impact	See Fiscal Impact

#### SUMMARY:

House Bill 2536 amends Section 2, Exemptions and special provisions, of Article VIII (Taxation and Finance) of the Constitution of Pennsylvania. This amendment gives the General Assembly the authority to pass legislation allowing local taxing authorities to create a Longtime Owner-Occupant Property Tax Program (LOOP).

#### ANALYSIS:

This bill amends the Pennsylvania Constitution to allow the General Assembly to enact legislation giving any local taxing authority the authority to create a LOOP. It also outlines that a local taxing authority may not increase the millage rate of its tax on real property to pay for a LOOP.

As a constitutional amendment, this legislation must be passed in two consecutive legislative sessions and then put before voters in a general or municipal election. This is the first consideration of this legislation.

#### FISCAL IMPACT:

This bill would have an impact on commonwealth funds. The first passage of a proposed constitutional amendment requires the Secretary of the Commonwealth to advertise the amendment in two newspapers in each county. The anticipated cost to advertise in two newspapers in each county ranges from \$600,000 to \$1 million.

The bill may also have a fiscal impact on taxing authorities that choose to enact a LOOP as a result of changes to local real estate property tax collections. Therefore, the fiscal impact to local taxing authorities is indeterminate.

**PREPARED BY:** Chris Fetterman, MPA, Special Advisor  
House Appropriations Committee (D)

**DATE:** October 7, 2024

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*