

MEMORANDUM

April 4, 2011

TO: All House Members

FROM: Rep. Tony DeLuca

SUBJECT: Proposed legislation – Property Taxes and Act 1 Voter Referendum

In the near future I will be introducing legislation that will strengthen the local taxpaying public's ultimate decision making authority on how they want to approach the dramatic budget cuts advocated by the Governor.

My legislation will eliminate the ability of the Pennsylvania Department of Education to approve school district requests for exemptions that then allow school districts to increase taxes above the Act 1 index. This index is calculated annually by the Department of Education, based on a formula set forth in Act 1, and is used to determine the maximum tax increases for each tax the school district levies. School districts may then apply for exemptions to that cap in order to avoid a voter referendum. Under my legislation, school districts will still have the ability to exceed the index; however, they will need to directly obtain an approval through a voter referendum in order to do so.

School taxes place a significant burden on local taxpayers, and particularly, senior citizens. With the amount of state budget cuts the Administration has proposed, the burden on local taxpayers can only be expected to multiply even further than in prior years. If local taxpayers are to be expected to suffer from these budget cuts, they should be given the opportunity to determine how they want to expense the cuts.

I hope you will join me in cosponsoring this important legislative initiative. If you would like to do so, please contact Cheryl Haldi of my staff at chaldi@pahouse.net or by calling 783-1011.