

Legislative Update – 1/24/2018

Dear Members of the Legislative Action Committee,

Please contact members of your House of Representatives to ask them to vote “no” on HB 1213. We have learned that House Bill 1213, sponsored by Representative Warren Kampf is moving forward for a vote today. This would seriously affect a school district's ability to engage in assessment appeals.

For contact information please visit:

<https://www.wcasd.net/cms/lib/PA02203541/Centricity/Domain/55/Contact-your-local-representatives.pdf>

Please contact your House member TODAY to ask him or her to VOTE NO on Amendment #4929 (Rep. Kampf) to House Bill 1213.

Attached is a letter I wrote last spring outlining the concerns for WCASD if the district loses the ability to appeal the value of a large property when sold.

[Email message to parents about HB 1213 - Revised Prop tax.docx](#)

Overview

House Bill 1213 seeks to prohibit school districts from exercising their right to file reverse assessment appeals. Back in the spring of 2017, the bill was moving fast and when amended out of Committee, it included language that would have cost the West Chester Area School District an estimated \$8 million in tax revenue. The bill eventually died and did not pass.

Subsequently, a court decision called into question the constitutionality of limiting taxing district appeals to commercial properties; however, the case indicated that it would be constitutional and not a violation of the uniformity clause for taxing districts to apply a uniform measure across all property types, such as a dollar threshold for determining which properties to appeal. (This dollar threshold is part of the WCASD policy on conducting reverse appeals).

Where we are now

With the constitutionality of the Harper amendment in question, the House caucused an amendment (4929) to House Bill 1213 yesterday that would:

- Virtually eliminate taxing body appeals of property assessments, at the benefit to commercial properties and the expense of homeowners
- Undo appeals already in progress, locking in lower assessments
- Put the burden on school districts to prove assessments don't violate the PA Constitution

- Deem constitutional assessments IF the assessed value is lesser of the amount in §8844(e)(2) or an amount comparable to assessments of similar properties in the same local community

These changes would have a tremendous impact on school districts and could shift the property tax burden from commercial properties to homeowners.

Please contact your House member TODAY to ask him or her to VOTE NO on Amendment #4929 (Rep. Kampf) to House Bill 1213.

Thanks for everyone's help.

Jim Scanlon

Legislative Update – 9/27/2017

Dear Members of the Legislative Action Committee,

I am writing to provide an update on the budget talks in Harrisburg. The attached information is what is currently in the school code bill

[Tentative School Code Bill 9-27-17](#)

There are a few items to note on the list if and when it gets approved:

- Reimbursement for construction projects will be delayed until the 2018-19 year. This will affect WCASD because we have two projects that we have submitted for reimbursement (Exton, East Goshen).
- Delay Keystone exam as graduation requirement until class of 2020

The budget bill is not passed and we expect the House and Senate to meet in a joint committee to try and hammer out the differences. Here is the latest summary sent out by the Pa Association of School Administrators (PASA):

Jim

What We Know:

Over the weekend and yesterday, there was not a lot of progress but discussions have started between House and Senate Republican leaders. Although there is not a lot of detail about what has been included in those discussions, the important thing is that they

are talking – a step in the right direction.

As a recap, last week the Senate non-concurred with the House revenue bill to set up the process to potentially have a conference committee that would hash out a compromise. We are not at that point yet, but negotiations toward that process are going on.

The House is in session this week. The Senate is not but is on a six-hour call should something happen in negotiations. Senate leaders won't bring back the rank-and-file legislators until there is something to vote on.

What We Have Heard:

It appears that some of the things that were on the table months ago as potential components of the revenue package may be back on the table. Republican leaders are having a broad discussion about how to get sufficient revenues that are substantial enough to address the fiscal deficit, state obligations and the 2017-18 budget. There is even some talk about enacting a shale tax – and there will be more discussion on that today. A lot of members, particularly in the southeast, are pushing for that.

Subsidy Payments

Payments will go out this week as scheduled. Unfortunately, we still are in the situation where we have an Oct. 1 deadline, the point after which the state will run out of money and won't be able to make payments. Yesterday State Treasurer Torsella indicated that, while he won't completely rule out the possibility of a loan to the General Fund, there needs to be a plan in place – not necessarily a bill, but some kind of plan – before he would authorize such a loan. It doesn't seem that anyone is particularly optimistic that all of this will be resolved by Oct. 1. But at least folks are talking, and a lot of things are on the table.

Looking Ahead: Subsidies

The question is: If we don't have something done by mid-October, would subsidy payments be in jeopardy? If you listen to what the Treasurer and others are saying, if they don't feel enough is being done, those payments may not go out. The Governor's Office doesn't seem to be concerned that subsidy won't be going out. Everyone is working on the assumption that something has to be done ASAP. By Sunday we should have an indication about how hard the line is drawn in the sand. If discussions don't proceed past Oct. 1, then we have to be concerned that payments will be delayed. Districts should be thinking about that.

The School Code Bill - Keystones

Everything is on hold regarding the School Code bill until the budget is resolved. But that brings up a question: What will happen with the Keystones? The good thing is that there is universal support for extending the moratorium on the Keystones – but, without final passage of the bill, school districts are in a tough spot. They have to be prepared – but we don't know how long it will take to get all of this resolved. There are other items in the School Code bill as well. (See attached.) Hannah will check into whether the PDE plans to send guidance to school districts on the Keystone issue.