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# **LEGISLATIVE ACTION ALERT**

## **Voters will decide on constitutional change to provide property tax relief**

### **State Representative Justin Simmons Report**

Wednesday, August 9th, 2017

### **More on the Upcoming Property Tax Reform Vote**

This fall, voters will have the chance to change the Pennsylvania Constitution to provide some possible relief from high property taxes. There will be a question on the Nov. 7 ballot that asks if the Constitution should be amended to allow local governments, including school districts, to exclude more of a home's median assessed value in order to reduce its property taxes.

If voters say yes, the General Assembly would still have to pass enabling legislation before any changes are seen in your local property tax bill.

Currently, the Constitution only permits school districts and other local governments to exclude up to 50 percent of the value from a homeowner's tax bill. However, with a successful vote, this homestead exclusion could be increased to 100 percent for primary residences.

The change would give school districts the option to offer more substantial property tax relief. It does not, however, require school districts to reduce property taxes or dictate how it's to be done.

While this vote alone would not eliminate everyone's property taxes, it is an important step as we move in that direction. In fact, we could be seeing more palatable tax bills as early as next year, if voters approve the change in November.

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By **Jan Murphy**

Voters in November will have an opportunity to vote on an amendment to the state constitution that could open the door to provide property tax relief for Pennsylvania homeowners. The [proposed amendment](#) to Article VIII of the constitution would increase the exclusion level to up to 100 percent of the value of each "homesteads," or primary residences, in a municipality, county or school district.

The current exclusion level, adopted in 1997, is capped at 50 percent of the median assessed value of all homesteads in a local taxing jurisdiction. Here's an example that might help you understand what difference this proposed amendment would make.

Let's say the median assessed value of your home in a school district is \$100,000 and that district currently excludes 50 percent or \$50,000, that means the owner of a home valued at \$200,000 would pay property taxes on \$150,000 of the home's value while someone with a home worth \$50,000 would not pay any property taxes.

If this constitutional amendment were approved and the homestead exclusion were set at 100 percent, no homestead owner would pay property taxes. But there's a catch. The money to replace that lost property tax revenue would have to come from somewhere. New taxes could be imposed or other tax rates could rise. It might be at the local level or perhaps at the state level.

View Entire Article From Pennlive at:

[http://www.pennlive.com/politics/index.ssf/2017/08/voters\\_will\\_decide\\_on\\_constitu.html#incart\\_river\\_index](http://www.pennlive.com/politics/index.ssf/2017/08/voters_will_decide_on_constitu.html#incart_river_index)

Read entire PA House Bill No. 1285 at:

<http://www.legis.state.pa.us/cfdocs/billinfo/billinfo.cfm?syear=2017&sind=0&body=H&type=B&bn=1285>

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**House of Representatives**  
**Session of 2017 - 2018 Regular Session**  
**MEMORANDUM**

**Posted:** April 11, 2017 09:21 AM  
**From:** [Representative David M. Maloney, Sr.](#)  
**To:** All House members  
**Subject:** Constitutional Amendment Homestead Exclusion - former HB 147

In the near future I plan to reintroduce legislation to amend the Pennsylvania Constitution to provide more significant residential property tax reductions statewide. In order to provide significant property tax relief, modifications to the Pennsylvania Constitution's Uniformity Clause are necessary to supply the means to deliver such relief. Currently, the Pennsylvania Constitution allows local taxing authorities to exclude from taxation up to 50% of the median assessed value of homestead property within the taxing district. "Median assessed value" is the middle value of all the homesteads in a taxing district when you put them in numerical order. The simplest way to understand this - if you have three properties, one worth \$100,000, and another worth \$200,000 and the last worth \$150,000 when you place these values in numerical order, the "median assessed value" would be \$150,000. While this is the current mechanism to provide residential property tax relief, it is inadequate as it caps the amount of relief that can be provided. My legislation will amend the Pennsylvania Constitution to allow local taxing authorities to exclude from taxation up to 100% of the assessed value of the homestead property receiving the exclusion. This provision, if adopted, will improve upon an already established property tax relief mechanism by allowing for the elimination of residential school property taxes via the homestead exclusion. Last session, this legislation, as HB 147, was passed and filed in the Office of the Secretary of the Commonwealth, June 16, 2016. As with all amendments to the Constitution, this language must be passed by the General Assembly in two consecutive legislative session.