

Bill No. 1901-05

No. 11-05-RE

RESOLUTION

Resolution of the County of Allegheny, Commonwealth of Pennsylvania, urging all School Districts in Allegheny County to pass the appropriate resolution by May 30, 2005 to implement Act 72 School District Property Tax Relief; an action that will ensure that property owners in the school district are eligible for state-funded property tax relief.

WHEREAS, in July of 2004, the Pennsylvania General Assembly enacted Act 72 of 2004, the Homeowner Tax Relief Act, which provides the means for state-funded property tax relief to be implemented throughout the Commonwealth; and

WHEREAS, the state-funded property tax relief will come from two sources: (1) a tax on expanded gaming which is expected to generate up to \$1 billion a year for tax relief (34% of gross revenues from gaming will be used for tax relief); and (2) the imposition of a local 0.1% earned income tax (EIT) by the school district, all of which would be used to fund property tax relief in that specific school district; and

WHEREAS, the impetus to implement the state-funded property tax relief is on local school boards that must pass a board resolution by May 30, 2005 in order for that district's taxpayers to receive state-funded property tax relief; the board resolution must (1) authorize the levying of an additional 0.1% local earned income tax; (2) propose a ballot question for the 2005 Municipal Election to ask voters whether they want to shift towards a local income tax; and, (3) for school districts that do not currently levy an earned income tax, propose a ballot question for the 2007 Municipal Election to ask voters whether they want to impose an earned income tax; and

WHEREAS, participation in Act 72 is not mandatory, but school districts that do not participate will not qualify for state property tax relief funding, resulting in higher property taxes for property owners in that district; once property tax relief is fully in place, property taxes are expected to decrease by an average of more than \$330; and

WHEREAS, while the amount of state-funded property tax relief will vary from district to district, Act 72 guarantees a minimum reduction in property tax revenue based on the total amount of money available for property tax relief; if \$500 million is available, the minimum property tax reduction would be 7.4%; if \$750 million is available, the minimum property tax reduction would be 10%; and if \$1 billion is available, the minimum property tax reduction would be 12.5%; and

WHEREAS, Allegheny County has taken every action that it can take to address the issue of rising property taxes, including extending a \$15,000 Homestead Exemption and increasing the amount of discount for Act 77 eligible senior citizens; however, the largest

proportion of the property tax burden comes from school districts and must be addressed in order to true property tax relief to be available to the residents of this County; and

WHEREAS, only four school boards statewide have taken action to offer a Homestead Exemption to their taxpayers; the remaining schools continue to impose an even greater burden on the residents of that district; further, since the passage of Act 72 last July only one school district in Allegheny County – Gateway School District – has acted to secure the state-funded property tax relief for its property owners;

The Council of the County of Allegheny hereby resolves as follows:

SECTION 1.

All School Districts in Allegheny County are urged to pass an appropriate board resolution by May 30, 2005 to implement Act 72 School District Property Tax Relief in that district; an action that will ensure that property owners in the school district are eligible for state-funded property tax relief.

SECTION 2.

The Council of Allegheny County further resolves that this Resolution be provided to the Superintendents and School Boards of all Allegheny County School Districts as an expression of this County's desire to see those bodies implement Act 72 School District Tax Relief.

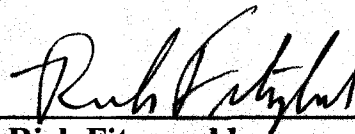
SECTION 3. If any provision of this Resolution shall be determined to be unlawful, invalid, void or unenforceable, then that provision shall be considered severable from the remaining provisions of this Resolution which shall be in full force and effect.

SECTION 4. Any Resolution or Ordinance or part thereof conflicting with the provisions of this Resolution is hereby repealed so far as the same affects this Resolution.

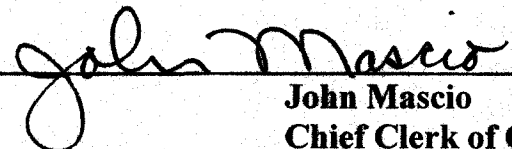
SPONSORED BY COUNCIL VICE PRESIDENT FONTANA, PRESIDENT FITZGERALD, COUNCIL MEMBERS CLEARY, DeFAZIO, AND JABBOUR

Enacted in Council, this 19th day of April, 2005

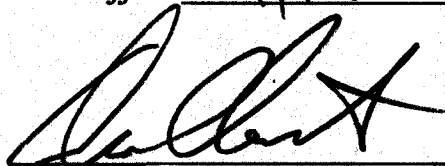
Council Agenda No. 1901-05

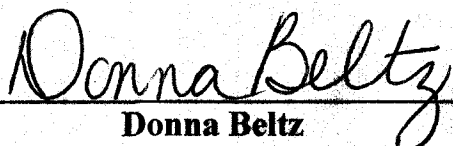


Rich Fitzgerald
President of Council

Attest: 
John Mascio
Chief Clerk of Council

Chief Executive Office April 27, 2005

Approved: 
Dan Onorato
Chief Executive

Attest: 
Donna Beltz
Executive's Secretary