A JOINT RESOLUTION

1 Proposing an amendment to the Constitution of the Commonwealth of Pennsylvania, authorizing an exclusion from taxation of either a portion of the assessed value of homestead property or a portion of the assessed value of all real property. The General Assembly to enact legislation providing for homestead exemptions, special tax provisions to abate an increase in tax on owner-occupied residential real property when improvements or additions are made to the property and credits or other special tax provisions for persons who rent their homestead.

The General Assembly of the Commonwealth of Pennsylvania hereby resolves as follows:

12 Section 1. The following amendments to the Constitution of Pennsylvania are proposed in accordance with Article XI:

15 That section 2(b) of Article VIII be amended by adding a clause to read:

17 § 2. Exemptions and special provisions.

* * *
(b) The General Assembly may, by law:

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(vi) Authorize local taxing authorities to exclude from taxation either an amount based on the assessed value of homestead property or an amount based on the assessed value of all real property located within the taxing jurisdiction. The exclusions authorized by this clause shall not exceed one-half of the median assessed value of all homestead property within a local taxing jurisdiction. A local taxing authority may not increase the millage rate of its tax on real property to pay for either of these exclusions. THIS EXCLUSION.

(VI) ESTABLISH SEPARATE CLASSES OF REAL PROPERTY AS SUBJECTS OF TAXATION EXCLUSIVELY FOR ONE OR MORE OF THE FOLLOWING PURPOSES:

(A) PROVIDING FOR A DOLLAR VALUE OR A PERCENTAGE EXEMPTION FROM THE ASSESSED VALUE OF REAL PROPERTY USED AS A HOMESTEAD;

(B) PROVIDING FOR A DOLLAR VALUE OR A PERCENTAGE EXEMPTION FROM THE ACTUAL REAL ESTATE TAXES LEVIED ON REAL PROPERTY USED AS A HOMESTEAD;

(C) PROVIDING FOR TAX CREDITS BASED ON A DOLLAR VALUE OR A PERCENTAGE OF THE REAL ESTATE TAXES LEVIED ON REAL PROPERTY USED AS A HOMESTEAD; OR

(D) PROVIDING FOR CREDITS OR OTHER SPECIAL TAX PROVISIONS FOR PERSONS WHO RENT THEIR HOMESTEADS TO PERMIT THEM TO TAKE ADVANTAGE OF REAL ESTATE TAX REDUCTIONS ACHIEVED THROUGH EXEMPTION OR CREDIT.

THE PROCEDURES ESTABLISHED BY THE GENERAL ASSEMBLY SHALL INCLUDE A RESTRICTION THAT A LOCAL TAXING JURISDICTION SHALL NOT INCREASE THE ASSESSED VALUE OF REAL PROPERTY OR MILLAGE OF ITS TAX ON REAL ESTATE FOR THE PURPOSE OF OFFSETTING REVENUE LOSSES.
RESULTING FROM THE EXEMPTION OR CREDIT.

(VII) MAKE SPECIAL TAX PROVISIONS ABATING AN INCREASE IN TAX ON OWNER-OCCUPIED RESIDENTIAL REAL PROPERTY BY REASON OF IMPROVEMENTS OR ADDITIONS TO THE PROPERTY WHICH INCREASE ITS VALUE, THEREBY ENCOURAGING OWNER-OCCUPIED RESIDENTIAL REAL PROPERTY OWNERS TO MAKE SUCH IMPROVEMENTS OR ADDITIONS. THE SPECIAL TAX PROVISIONS SHALL PLACE A MONETARY LIMIT ON THE IMPROVEMENTS OR ADDITIONS FOR WHICH AN INCREASE IN TAX IS ABATED AND SHALL LIMIT THE ABATEMENT TO A PERIOD NOT TO EXCEED FIVE YEARS.

(VIII) AUTHORIZE LOCAL TAXING AUTHORITIES TO PROVIDE FOR TAX CREDITS OR OTHER SPECIAL TAX PROVISIONS FOR NATURAL PERSONS WHO RENT OR LEASE THEIR HOMESTEADS TO PERMIT THOSE PERSONS TO TAKE ADVANTAGE OF REAL ESTATE TAX REDUCTIONS ACHIEVED THROUGH A HOMESTEAD EXEMPTION UNDER CLAUSE (VI). A LOCAL TAXING AUTHORITY MAY NOT INCREASE THE MILLAGE RATE OF ITS TAX ON REAL PROPERTY TO PAY FOR THE CREDIT OR SPECIAL TAX PROVISIONS.

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Section 2. (a) Upon the first passage by the General Assembly of this THESE proposed constitutional amendment AMENDMENTS, the Secretary of the Commonwealth shall proceed immediately to comply with the advertising requirements of section 1 of Article XI of the Constitution of Pennsylvania and shall transmit the required advertisements to two newspapers in every county in which such newspapers are published in sufficient time after passage of this THESE proposed constitutional amendment AMENDMENTS.

(b) Upon the second passage by the General Assembly of this THESE proposed constitutional amendment AMENDMENTS, the Secretary of the Commonwealth shall proceed immediately to
comply with the advertising requirements of section 1 of Article XI of the Constitution of Pennsylvania and shall transmit the required advertisements to two newspapers in every county in which such newspapers are published in sufficient time after passage of this proposed constitutional amendment. The Secretary of the Commonwealth shall submit these proposed constitutional amendments as separate questions to the qualified electors of this Commonwealth at the first primary, general or municipal election occurring at least three months after the proposed constitutional amendment is passed by the General Assembly which meets the requirements of and is in conformance with section 1 of Article XI of the Constitution of Pennsylvania.