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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**SENATE BILL**

**No. 284**      Session of  
1995

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INTRODUCED BY JUBELIRER, HART, DAWIDA, GERLACH, BRIGHTBILL,  
SHAFFER, SALVATORE, LEMMOND, PETERSON, PUNT, PORTERFIELD,  
BAKER, HELFRICK, HECKLER, LAVALLE, MOWERY, SHUMAKER, O'PAKE,  
BELL, GREENLEAF AND TOMLINSON, JANUARY 24, 1995

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SENATE AMENDMENTS TO HOUSE AMENDMENTS, JUNE 26, 1996

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A JOINT RESOLUTION

1 ~~Proposing amendments to the Constitution of the Commonwealth of~~ <—  
2 ~~Pennsylvania, authorizing the General Assembly to enact~~  
3 ~~legislation providing for homestead exemptions, special tax~~  
4 ~~provisions to abate an increase in tax on owner occupied~~  
5 ~~residential real property when improvements or additions are~~  
6 ~~made to the property and credits or other special tax~~  
7 ~~provisions for persons who rent their homestead.~~

8 PROPOSING AN AMENDMENT TO THE CONSTITUTION OF THE COMMONWEALTH <—  
9 OF PENNSYLVANIA, AUTHORIZING AN EXCLUSION FROM TAXATION OF A  
10 PORTION OF THE ASSESSED VALUE OF HOMESTEAD PROPERTY.

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

13 ~~Section 1. The following amendments to the Constitution of~~ <—  
14 ~~Pennsylvania are proposed in accordance with Article XI:~~

15 ~~That section 2(b) of Article VIII be amended by adding~~  
16 ~~clauses to read:~~

17 ~~§ 2. Exemptions and special provisions.~~

18 \* \* \*

19 ~~(b) The General Assembly may, by law:~~

20 \* \* \*

1       ~~(vi) Establish separate classes of real property as subjects~~  
2 ~~of taxation exclusively for one or more of the following~~  
3 ~~purposes:~~

4       ~~(A) providing for a dollar value or a percentage exemption~~  
5 ~~from the assessed value of real property used as a homestead;~~

6       ~~(B) providing for a dollar value or a percentage exemption~~  
7 ~~from the actual real estate taxes levied on real property used~~  
8 ~~as a homestead;~~

9       ~~(C) providing for tax credits based on a dollar value or a~~  
10 ~~percentage of the real estate taxes levied on real property used~~  
11 ~~as a homestead; or~~

12       ~~(D) providing for credits or other special tax provisions~~  
13 ~~for persons who rent their homesteads to permit them to take~~  
14 ~~advantage of real estate tax reductions achieved through~~  
15 ~~exemption or credit.~~

16 ~~The procedures established by the General Assembly shall include~~  
17 ~~a restriction that a local taxing jurisdiction shall not~~  
18 ~~increase the assessed value of real property or millage of its~~  
19 ~~tax on real estate for the purpose of offsetting revenue losses~~  
20 ~~resulting from the exemption or credit.~~

21       ~~(vii) Make special tax provisions abating an increase in tax~~  
22 ~~on owner occupied residential real property by reason of~~  
23 ~~improvements or additions to the property which increase its~~  
24 ~~value, thereby encouraging owner occupied residential real~~  
25 ~~property owners to make such improvements or additions. The~~  
26 ~~special tax provisions shall place a monetary limit on the~~  
27 ~~improvements or additions for which an increase in tax is abated~~  
28 ~~and shall limit the abatement to a period not to exceed five~~  
29 ~~years.~~

30       ~~(viii) Authorize local taxing authorities to provide for tax~~

1 ~~credits or other special tax provisions for natural persons who~~  
2 ~~rent or lease their homesteads to permit those persons to take~~  
3 ~~advantage of real estate tax reductions achieved through a~~  
4 ~~homestead exemption under clause (vi). A local taxing authority~~  
5 ~~may not increase the millage rate of its tax on real property to~~  
6 ~~pay for the credit or special tax provisions.~~

7 \* \* \*

8 ~~Section 2. (a) Upon the first passage by the General~~  
9 ~~Assembly of these proposed constitutional amendments, the~~  
10 ~~Secretary of the Commonwealth shall proceed immediately to~~  
11 ~~comply with the advertising requirements of section 1 of Article~~  
12 ~~XI of the Constitution of Pennsylvania and shall transmit the~~  
13 ~~required advertisements to two newspapers in every county in~~  
14 ~~which such newspapers are published in sufficient time after~~  
15 ~~passage of these proposed constitutional amendments.~~

16 ~~(b) Upon the second passage by the General Assembly of these~~  
17 ~~proposed constitutional amendments, the Secretary of the~~  
18 ~~Commonwealth shall proceed immediately to comply with the~~  
19 ~~advertising requirements of section 1 of Article XI of the~~  
20 ~~Constitution of Pennsylvania and shall transmit the required~~  
21 ~~advertisements to two newspapers in every county in which such~~  
22 ~~newspapers are published in sufficient time after passage of~~  
23 ~~these proposed constitutional amendments. The Secretary of the~~  
24 ~~Commonwealth shall submit these proposed constitutional~~  
25 ~~amendments as separate questions to the qualified electors of~~  
26 ~~this Commonwealth at the first primary, general or municipal~~  
27 ~~election occurring at least three months after the proposed~~  
28 ~~constitutional amendments are passed by the General Assembly~~  
29 ~~which meets the requirements of and is in conformance with~~  
30 ~~section 1 of Article XI of the Constitution of Pennsylvania.~~

1 SECTION 1. THE FOLLOWING AMENDMENT TO THE CONSTITUTION OF  
2 PENNSYLVANIA IS PROPOSED IN ACCORDANCE WITH ARTICLE XI:

3 THAT SECTION 2(B) OF ARTICLE VIII BE AMENDED BY ADDING A  
4 CLAUSE TO READ:

5 § 2. EXEMPTIONS AND SPECIAL PROVISIONS.

6 \* \* \*

7 (B) THE GENERAL ASSEMBLY MAY, BY LAW:

8 \* \* \*

9 (VI) AUTHORIZE LOCAL TAXING AUTHORITIES TO EXCLUDE FROM  
10 TAXATION AN AMOUNT BASED ON THE ASSESSED VALUE OF HOMESTEAD  
11 PROPERTY. THE EXCLUSIONS AUTHORIZED BY THIS CLAUSE SHALL NOT  
12 EXCEED ONE-HALF OF THE MEDIAN ASSESSED VALUE OF ALL HOMESTEAD  
13 PROPERTY WITHIN A LOCAL TAXING JURISDICTION. A LOCAL TAXING  
14 AUTHORITY MAY NOT INCREASE THE MILLAGE RATE OF ITS TAX ON REAL  
15 PROPERTY TO PAY FOR THESE EXCLUSIONS.

16 \* \* \*

17 SECTION 2. (A) UPON THE FIRST PASSAGE BY THE GENERAL  
18 ASSEMBLY OF THIS PROPOSED CONSTITUTIONAL AMENDMENT, THE  
19 SECRETARY OF THE COMMONWEALTH SHALL PROCEED IMMEDIATELY TO  
20 COMPLY WITH THE ADVERTISING REQUIREMENTS OF SECTION 1 OF ARTICLE  
21 XI OF THE CONSTITUTION OF PENNSYLVANIA AND SHALL TRANSMIT THE  
22 REQUIRED ADVERTISEMENTS TO TWO NEWSPAPERS IN EVERY COUNTY IN  
23 WHICH SUCH NEWSPAPERS ARE PUBLISHED IN SUFFICIENT TIME AFTER  
24 PASSAGE OF THIS PROPOSED CONSTITUTIONAL AMENDMENT.

25 (B) UPON THE SECOND PASSAGE BY THE GENERAL ASSEMBLY OF THIS  
26 PROPOSED CONSTITUTIONAL AMENDMENT, THE SECRETARY OF THE  
27 COMMONWEALTH SHALL PROCEED IMMEDIATELY TO COMPLY WITH THE  
28 ADVERTISING REQUIREMENTS OF SECTION 1 OF ARTICLE XI OF THE  
29 CONSTITUTION OF PENNSYLVANIA AND SHALL TRANSMIT THE REQUIRED  
30 ADVERTISEMENTS TO TWO NEWSPAPERS IN EVERY COUNTY IN WHICH SUCH

1 NEWSPAPERS ARE PUBLISHED IN SUFFICIENT TIME AFTER PASSAGE OF  
2 THIS PROPOSED CONSTITUTIONAL AMENDMENT. THE SECRETARY OF THE  
3 COMMONWEALTH SHALL SUBMIT THIS PROPOSED CONSTITUTIONAL AMENDMENT  
4 TO THE QUALIFIED ELECTORS OF THIS COMMONWEALTH AT THE FIRST  
5 PRIMARY, GENERAL OR MUNICIPAL ELECTION OCCURRING AT LEAST THREE  
6 MONTHS AFTER THE PROPOSED CONSTITUTIONAL AMENDMENT IS PASSED BY  
7 THE GENERAL ASSEMBLY WHICH MEETS THE REQUIREMENTS OF AND IS IN  
8 CONFORMANCE WITH SECTION 1 OF ARTICLE XI OF THE CONSTITUTION OF  
9 PENNSYLVANIA.