
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2247 Session of
2015

INTRODUCED BY GROVE, ORTITAY, PHILLIPS-HILL, SAYLOR AND MOUL,
JULY 7, 2016

REFERRED TO COMMITTEE ON FINANCE, JULY 7, 2016

AN ACT

1 Amending the act of June 27, 2006 (1st Sp.Sess., P.L.1873,
2 No.1), entitled "An act providing for taxation by school
3 districts, for the State funds formula, for tax relief in
4 first class cities, for school district choice and voter
5 participation, for other school district options and for a
6 task force on school cost reduction; making an appropriation;
7 prohibiting prior authorized taxation; providing for
8 installment payment of taxes; restricting the power of
9 certain school districts to levy, assess and collect taxes;
10 and making related repeals," in taxation by school districts,
11 further providing for adoption of preliminary budget
12 proposals, repealing provisions relating to local tax study
13 commission and further providing for public referendum
14 requirements for increasing certain taxes and for school
15 district tax notices; in State funds formula, providing for
16 Public School Employees' Retirement System pension
17 contribution cost savings; and, in tax relief in cities of
18 the first class, further providing for tax relief.

19 The General Assembly of the Commonwealth of Pennsylvania
20 hereby enacts as follows:

21 Section 1. Sections 311(d)(3) and 331 of the act of June 27,
22 2006 (1st Sp.Sess., P.L.1873, No.1), known as the Taxpayer
23 Relief Act, are repealed:

24 Section 311. Adoption of preliminary budget proposals.

25 * * *

26 (d) Resolution.--

1 * * *

2 [(3) A board of school directors that adopts a
3 resolution under this section shall not be eligible to seek
4 referendum exceptions under section 333(f), and section
5 333(e) shall not apply.]

6 * * *

7 [Section 331. Local tax study commission.

8 (a) Appointment.--A board of school directors shall appoint
9 a local tax study commission prior to adopting a resolution
10 under section 331.2(b) or 332(b)(1). The local tax study
11 commission shall be appointed no later than 180 days prior to
12 the date on which the board of school directors is required to
13 adopt a resolution under section 331.2(b) or 332(b)(1).

14 (b) Membership.--The local tax study commission shall
15 consist of five, seven or nine members who are resident
16 individuals or taxpayers of the school district and shall
17 reflect the socioeconomic, age and occupational diversity of the
18 school district to the extent possible, except that one member
19 of the local tax study commission may be a member of the board
20 of school directors and no member shall be an official or
21 employee or a relative thereof of the school district.

22 (c) Staff and expenses.--The school district shall provide
23 necessary and reasonable support staff and shall reimburse the
24 members of the local tax study commission for necessary and
25 reasonable expenses in the discharge of their duties. Receipts
26 shall be required for all reimbursable expenses under this
27 subsection.

28 (d) Contents of study.--The local tax study commission shall
29 study the existing taxes levied, assessed and collected by the
30 school district and the effect of any county or municipal taxes

1 imposed concurrently with the school district. The local tax
2 study commission shall determine how the tax policies of the
3 school district could be improved by the levy, assessment and
4 collection of the taxes authorized under section 321. The study
5 shall include consideration of all of the following:

6 (1) Historic and present rates of and revenue from taxes
7 currently levied, assessed and collected.

8 (2) The percentage of total revenues provided by taxes
9 currently levied, assessed and collected.

10 (3) The age, income, employment and property use
11 characteristics of the existing tax base.

12 (4) Projected revenues of taxes currently levied,
13 assessed and collected, including taxes authorized and taxes
14 not levied under this chapter.

15 (e) Recommendation.--Within 90 days of its appointment, the
16 local tax study commission shall make a nonbinding
17 recommendation to the board of school directors regarding the
18 imposition of the taxes authorized under section 321, commencing
19 in the subsequent fiscal year. Prior to making its
20 recommendation, the local tax study commission shall hold at
21 least one public hearing. The recommendation of the local tax
22 study commission shall be presented at a public meeting of the
23 board of school directors. The board of school directors shall
24 make such recommendation available to interested persons upon
25 request.

26 (f) Failure to issue a recommendation.--If the local tax
27 study commission fails to make a recommendation under subsection
28 (e), the board of school directors shall discharge the local tax
29 study commission.

30 (g) Adoption of recommendation.--The board of school

1 directors shall accept or reject the recommendation of the local
2 tax study commission prior to adopting a resolution under
3 section 331.2(b) or section 332(b)(1).

4 (h) Materials.--All records of the local tax study
5 commission, including receipts, tapes, minutes of meetings and
6 written communications, for public inspection during the regular
7 business hours of the school district.]

8 Section 2. Section 333 of the act, amended June 30, 2011
9 (P.L.148, No.25), is amended to read:

10 Section 333. Public referendum requirements for increasing
11 certain taxes.

12 (a) Applicability.--The following provisions shall apply to
13 this section:

14 (1) For the 2006-2007 fiscal year, the tax increase
15 proposed by any board of school directors shall not exceed
16 the index unless an exception under former subsection (f) or
17 (n) is approved pursuant to former subsection (j), provided
18 that a board of school directors that did not elect to
19 participate in the former act of July 5, 2004 (P.L.654,
20 No.72), known as the Homeowner Tax Relief Act, shall have the
21 authority to petition the court of common pleas for an
22 additional tax rate increase if the tax rate increase allowed
23 by the index and any exception approved pursuant to former
24 subsection (j) is insufficient to balance the proposed
25 budget. No later than July 15, 2006, the court shall grant
26 the school district's request for the tax rate increase upon
27 good cause shown if the school district proves by clear and
28 convincing evidence that the tax rate increase authorized
29 under this paragraph is insufficient to balance the proposed
30 budget. For a board of school directors subject to this

1 paragraph, the dates by which the board of school directors,
2 the department and the court of common pleas shall be
3 required to comply with section 311 and [subsections]
4 subsection (e) and former subsection (j) shall be 92 days
5 after the dates set forth in those provisions, except that
6 the date by which the board of school directors shall be
7 required to comply with all of the provisions of section
8 311(c) shall be ten days prior to the date by which the board
9 of school directors is required to adopt a preliminary
10 budget. Any exceptions granted to a board of school directors
11 under section 333 of the former Homeowner Tax Relief Act
12 shall remain in full force and effect. Notwithstanding the
13 provisions of this paragraph, a board of school directors
14 that sought and was granted approval for one or more
15 exceptions under section 333 of the former Homeowner Tax
16 Relief Act may apply for any exception under former
17 subsections (f)(v) and (n), where the dollar amount of an
18 exception approved by the department under the former
19 Homeowner Tax Relief Act is less than the dollar amount of
20 the exception for which the school district is eligible under
21 this act.

22 (2) This section shall apply to each board of school
23 directors beginning with any proposed tax increase that takes
24 effect in the 2007-2008 fiscal year and each fiscal year
25 thereafter.

26 (b) Prohibitions.--[Except as set forth in subsection (j),
27 unless] Unless there is compliance with subsection (c), a board
28 of school directors may not do any of the following:

29 (1) Increase the rate of a tax levied for the support of
30 the public schools by more than the index. For purposes of

1 compliance with this paragraph, a school district which is
2 situated in more than one county and which levies real estate
3 taxes under section 672.1 of the act of March 10, 1949
4 (P.L.30, No.14), known as the Public School Code of 1949,
5 shall apply the index to each separate rate of real estate
6 taxes levied.

7 (2) Levy a tax for the support of the public schools
8 which was not levied in the 2005-2006 fiscal year.

9 (3) Raise the rate of the earned income and net profits
10 tax if already imposed under the authority of the Local Tax
11 Enabling Act except as otherwise provided for under section
12 331.2 or 332.

13 (4) Notwithstanding any other provision of this chapter
14 to the contrary, the adoption of a referendum under section
15 331.2 or 332 confers on the board of school directors the
16 authority to raise income taxes only to the extent contained
17 in the language of the referendum, and any future increase of
18 an income tax to be used for the purpose of property tax
19 reduction shall be submitted to the electors of the school
20 district at a subsequent municipal election pursuant to the
21 provisions of section 332.

22 (c) Referendum.--

23 (1) In order to take an action prohibited under
24 subsection (b)(1), at the election immediately preceding the
25 start of the school district fiscal year in which the
26 proposed tax increase would take effect, a referendum stating
27 the specific rate or rates of the tax increase must be
28 submitted to the electors of the school district, and a
29 majority of the electors voting on the question must approve
30 the increase.

1 (2) In order to take an action under subsection (b) (2),
2 at the election immediately preceding the start of the school
3 district fiscal year in which the proposed tax would take
4 effect, a referendum stating the proposed tax and the rate at
5 which it will be levied must be submitted to the electors of
6 the school district, and a majority of the electors voting on
7 the question must approve the tax.

8 (3) [Except as set forth in subsection (j), a] A school
9 district acting pursuant to this subsection shall submit the
10 referendum question required under this section to the
11 election officials of each county in which it is situate no
12 later than 60 days prior to the election immediately
13 preceding the fiscal year in which the tax increase would
14 take effect.

15 (4) The election officials of each county shall, in
16 consultation with the board of school directors, draft a
17 nonlegal interpretative statement which shall accompany the
18 referendum question in accordance with section 201.1 of the
19 act of June 3, 1937 (P.L.1333, No.320), known as the
20 Pennsylvania Election Code. The nonlegal interpretative
21 statement shall include information that references the items
22 of expenditure for which the tax increase is sought and the
23 consequence of the referendum being disapproved by the
24 electorate.

25 (d) Failure to approve referendum.--

26 (1) If a referendum question submitted under subsection
27 (c) (1) is not approved, the board of school directors may
28 approve an increase in the tax rate of not more than the
29 index.

30 (2) If a referendum question submitted under subsection

1 (c) (2) is not approved, the board of school directors may not
2 levy the tax.

3 (e) Tax rate submissions.--A school district that has
4 adopted a preliminary budget proposal under section 311 that
5 includes an increase in the rate of any tax levied for the
6 support of public schools shall submit information on the
7 increase to the department on a uniform form prepared by the
8 department. The school district shall submit such information no
9 later than 85 days prior to the date of the election immediately
10 preceding the beginning of the school district's fiscal year.
11 The department shall compare the proposed percentage increase in
12 the rate of any tax with the index. Within ten days of the
13 receipt of the information required under this subsection but no
14 later than 75 days prior to the date of the election immediately
15 preceding the beginning of the school district's fiscal year,
16 the department shall inform the school district whether the
17 proposed tax rate increase is less than or equal to the index.
18 If the department determines that the proposed percentage
19 increase in the rate of the tax exceeds the index, the
20 department shall notify the school district that:

- 21 (1) the proposed tax increase must be reduced to an
22 amount less than or equal to the index; or
23 (2) the proposed tax increase must be approved by the
24 electorate under subsection (c) (1) [; or
25 (3) an exception must be sought under subsection (j)].

26 [(f) Referendum exceptions.--A school district may, without
27 seeking voter approval under subsection (c), increase the rate
28 of a tax levied for the support of the public schools by more
29 than the index if all of the following apply:

- 30 (1) The revenue raised by the allowable increase under

1 the index is insufficient to balance the proposed budget due
2 to one or more of the expenditures listed in paragraph (2).

3 (2) The revenue generated by increasing the rate of a
4 tax by more than the index will be used to pay for any of the
5 following:

6 (iii) Costs associated with the following:

7 (A) For a board of school directors that elected
8 to participate in the former act of July 5, 2004
9 (P.L.654, No.72), known as the Homeowner Tax Relief
10 Act, to pay interest and principal on any
11 indebtedness incurred under 53 Pa.C.S. Pt. VII Subpt.
12 B (relating to indebtedness and borrowing) prior to
13 September 4, 2004. In no case may the school district
14 incur additional debt under this clause except for
15 the refinancing of existing debt, including the
16 payment of costs and expenses related to such
17 refinancing and the establishment of funding of
18 appropriate debt service reserves. An increase under
19 this clause shall be rescinded following the final
20 payment of interest and principal.

21 (A.1) For a board of school directors that did
22 not elect to participate in the former act of July 5,
23 2004 (P.L.654, No.72), known as the Homeowner Tax
24 Relief Act, to pay interest and principal on any
25 indebtedness incurred under 53 Pa.C.S. Pt. VII Subpt.
26 B prior to the effective date of this act. In no case
27 may the school district incur additional debt under
28 this clause except for the refinancing of existing
29 debt, including the payment of costs and expenses
30 related to such refinancing and the establishment of

1 funding of appropriate debt service reserves. An
2 increase under this clause shall be rescinded
3 following the final payment of interest and
4 principal.

5 (B) To pay interest and principal on any
6 electoral debt incurred under 53 Pa.C.S. Pt. VII
7 Subpt. B. An increase under this clause shall be
8 rescinded following the final payment of interest and
9 principal.

10 (E) For purposes of this subparagraph, electoral
11 debt includes the refunding or refinancing of
12 electoral debt for which an exception is permitted
13 under clause (B) as long as the refunding or
14 refinancing incurs no additional debt other than for:

15 (I) costs and expenses related to the
16 refunding or refinancing; and

17 (II) funding of appropriate debt service
18 reserves.

19 (F) For purposes of this subparagraph,
20 indebtedness includes the refunding or refinancing of
21 indebtedness for which an exception is permitted
22 under clauses (A) and (A.1) as long as the refunding
23 or refinancing incurs no additional debt other than
24 for:

25 (I) costs and expenses related to the
26 refunding or refinancing; and

27 (II) funding of appropriate debt service
28 reserves.

29 (v) Costs incurred in providing special education
30 programs and services to students with disabilities if

1 the increase in expenditures on special education
2 programs and services, net of State special education
3 payments, was greater than the index. The dollar amount
4 of this exception shall be equal to the portion of the
5 increase that exceeds the index.

6 (g) Revenue derived from increase.--Any revenue derived from
7 an increase in the rate of any tax allowed pursuant to
8 subsection (f) (2) (iii) shall not exceed the anticipated dollar
9 amount of the expenditure.

10 (h) Limitation on tax rate.--The increase in the rate of any
11 tax allowed pursuant to an exception under subsection (f) (2) (v)
12 or (n) shall not exceed the rate increase required as determined
13 by the department pursuant to subsection (j).

14 (j) Department approval.--

15 (1) A school district that seeks to increase the rate of
16 tax due to an expenditure under subsection (f) (2) (iii) or (v)
17 or (n) shall obtain the approval of the department before
18 imposing the tax increase. The department shall establish
19 procedures for administering the provisions of this
20 subsection, which may include an administrative hearing on
21 the school district's submission.

22 (2) A school district proceeding under the provisions of
23 this subsection shall publish in a newspaper of general
24 circulation and on the district's publicly accessible
25 Internet site, if one is maintained, notice of its intent to
26 seek department approval at least one week prior to
27 submitting its request for approval to the department. If the
28 department schedules a hearing on the school district's
29 request, the school district shall publish notice of the
30 hearing in a newspaper of general circulation and on the

1 district's publicly accessible Internet site, if one is
2 maintained, immediately upon receiving the information from
3 the department. The notice shall include the date, time and
4 place of the hearing.

5 (3) The department shall approve a school district's
6 request under this subsection if a review of the data under
7 paragraph (4) demonstrates that:

8 (i) the school district qualifies for one or more
9 exceptions under subsection (f) (2) (iii) or (v) or (n);

10 and

11 (ii) the sum of the dollar amounts of the exceptions
12 for which the school district qualifies makes the school
13 district eligible under subsection (f) (1).

14 (4) For the purpose of determining the eligibility of a
15 school district for an exception under subsection (f) (2) (v),
16 the department shall utilize data from the most recent school
17 years for which annual financial report data required under
18 section 2553 of the Public School Code of 1949 has been
19 received. The department shall inform school districts of the
20 school years determined under this subsection no later than
21 30 days prior to the date on which public inspection of
22 proposed school budgets is required under section 311(c).

23 (5) (i) The department shall rule on the school
24 district's request and shall inform the school district
25 of its decision no later than 55 days prior to the date
26 of the election immediately preceding the beginning of
27 the school district's fiscal year.

28 (ii) If the department approves the request, the
29 department shall determine the dollar amount of the
30 expenditure for which the exception is sought and the tax

1 rate increase required to fund the exception.

2 (iii) If the department denies the request, the
3 school district may submit a referendum question under
4 subsection (c)(1). The question must be submitted to the
5 election officials no later than 50 days prior to the
6 date of the election immediately preceding the beginning
7 of the school district's fiscal year.

8 (6) Within 30 days of the deadline under paragraph (5)
9 (i), the department shall submit a report to the President
10 pro tempore of the Senate, the Minority Leader of the Senate,
11 the Speaker of the House of Representatives and the Minority
12 Leader of the House of Representatives enumerating the school
13 districts which sought an exception under this subsection.
14 The department shall also publish the report on its publicly
15 accessible Internet site. The report shall include:

16 (i) The name of each school district making a
17 request under this subsection.

18 (ii) The specific exceptions requested by each
19 school district and the dollar amount of the expenditure
20 for each exception.

21 (iii) The department's ruling on the request for the
22 exception.

23 (iv) If the exception was approved, the dollar
24 amount of the expenditure for which the exception was
25 sought and the tax rate increase required to fund the
26 exception.

27 (v) A statistical summary of the information in
28 subparagraphs (ii), (iii) and (iv).

29 (1) Index calculation.--No later than August 15, 2005, and
30 each August 15 thereafter, the department shall calculate the

1 index. The department shall publish the index by September 1,
2 2005, and each September 1 thereafter in the Pennsylvania
3 Bulletin.]

4 (m) Election interference prohibited.--

5 (1) No public funds may be used to urge any elector to
6 vote for or against a referendum or be appropriated for
7 political or campaign purposes.

8 (2) This subsection shall not be construed to prohibit
9 the use of public funds for dissemination of factual
10 information relative to a referendum appearing on an election
11 ballot.

12 (3) As used in this subsection, the term "public funds"
13 means any funds appropriated by the General Assembly or by a
14 political subdivision.

15 [(n) Treatment of certain required payments.--

16 (1) The provisions of subsections (f) and (j) shall
17 apply to a school district's share of payments to the Public
18 School Employees' Retirement System as required under 24
19 Pa.C.S. § 8327 (relating to payments by employers) if the
20 increase in estimated payments between the current year and
21 the upcoming year, as determined by the department under this
22 section, is greater than the index.

23 (2) For purposes of this subsection, the following
24 apply:

25 (i) The school district's share of payments as
26 required by 24 Pa.C.S. § 8327 for the current year shall
27 be determined by the department using:

28 (A) The lesser of the school district's total
29 compensation for the current year or the school
30 district's total compensation for the 2011-2012

1 school year.

2 (B) The employer contribution rate under 24
3 Pa.C.S. § 8328 (relating to actuarial cost method)
4 for the current year.

5 (C) A State retirement subsidy calculation based
6 on the school district's total compensation under
7 clause (A) and the employer contribution rate under
8 clause (B).

9 (ii) The school district's share of payments as
10 required by 24 Pa.C.S. § 8327 for the upcoming year shall
11 be determined by the department using all of the
12 following:

13 (A) The lesser of the school district's:

14 (I) estimated total compensation for the
15 upcoming year; or

16 (II) total compensation for the 2011-2012
17 school year.

18 (B) The employer contribution rate under 24
19 Pa.C.S. § 8328 for the upcoming year.

20 (C) A State retirement subsidy calculation based
21 on the school district's total compensation under
22 clause (A) and the employer contribution rate under
23 clause (B).

24 (3) The dollar amount to which subsection (f) applies
25 shall be determined as follows:

26 (i) Multiply:

27 (A) the index; by

28 (B) the school district's share of payments for
29 the current year, as determined by the department
30 under this subsection.

- 1 (ii) Subtract:
- 2 (A) the product under subparagraph (i); from
- 3 (B) the amount of increase, as determined by the
- 4 department under this subsection, in the school
- 5 district's share of payments between:
- 6 (I) the current year; and
- 7 (II) the upcoming year.

8 (4) As used in this subsection, the term "compensation"

9 has the meaning ascribed in 24 Pa.C.S. § 8102 (relating to

10 definitions).]

11 (o) Rescission.--

12 (1) Any increase in a rate of a tax levied for support

13 of the public schools imposed prior to or during the 2011-

14 2012 school year under a referendum exception granted, prior

15 to the effective date of this subsection, under former

16 subsection (f)(2)(i), (ii) or (iii)(C) and (D) shall be

17 rescinded:

18 (i) immediately following fulfillment of the court

19 order or administrative order that was the basis for the

20 referendum exception;

21 (ii) immediately following the payment of costs to

22 resolve a condition which posed an immediate threat of

23 serious physical harm or injury to the students, staff or

24 residents of the school district that was the basis for

25 the referendum exception; or

26 (iii) following the final payment of interest and

27 principal related to the indebtedness.

28 (2) For the purposes of this subsection, the term "final

29 payment of interest and principal" does not include a school

30 district's payment of debt as a result of refunding or

1 refinancing the debt.

2 (p) Application of cost savings.--

3 (1) If a school district of the first class A, second
4 class, third class or fourth class realizes cost savings from
5 a reduction in the school district's annual required
6 contribution, the school district shall apply the amount of
7 cost savings realized as follows:

8 (i) Except as provided under subparagraph (ii), the
9 school district shall apply 80% of the cost savings to a
10 reduction in the school district's millage rate. A
11 reduction in the millage rate under this subparagraph
12 shall be the new base millage rate under section 336(b).
13 The school district shall use the remaining 20% to cover
14 the costs of general operations.

15 (ii) A school district that received from the
16 Department of Education an exception under former
17 subsection (f) shall apply 100% of the cost savings
18 realized to a reduction in the school district's millage
19 rate.

20 (2) As used in this subsection, the term "annual
21 required contribution" shall mean periodic required
22 contributions expressed as a dollar amount or a percentage of
23 covered plan compensation consisting of both the total
24 employer cost and the amortization payment.

25 Section 3. Section 343 of the act is amended to read:

26 Section 343. School district tax notices.

27 (a) Tax notice.--A school district that implements homestead
28 and farmstead exclusions or millage rate reductions shall
29 itemize the homestead and farmstead exclusion or millage rate
30 reduction on tax bills sent to [homestead and farmstead owners,]

1 property owners indicating the [original amount of] tax
2 liability of the previous tax year, the amount of the exclusion
3 and [the net amount of tax due after the exclusion is applied.],
4 if there is no millage rate reduction, the amount property
5 owners could save if the school district collected a 1% increase
6 in the earned income and net profit tax and used the revenue in
7 accordance with section 334(a). The tax bill shall be easily
8 understandable and include a notice pursuant to subsection (b).

9 (b) Notice of property tax relief.--A school district that
10 implements homestead and farmstead exclusions or millage rate
11 reductions shall include with the [homestead or farmstead]
12 property owner's tax bill a notice that the tax bill includes a
13 homestead or farmstead exclusion or millage rate reduction. The
14 notice shall at a minimum take the following form:

15 NOTICE OF PROPERTY TAX RELIEF

16 Your enclosed tax bill includes a tax reduction for your
17 [homestead and/or farmstead] property. As [an eligible
18 homestead and/or farmstead] a property owner, you have
19 received tax relief through a homestead and/or farmstead
20 exclusion or millage rate reduction which has been provided
21 under the Pennsylvania Taxpayer Relief Act, a law passed by
22 the Pennsylvania General Assembly designed to reduce your
23 property taxes. If (insert name of school district) increases
24 its earned income or net profits tax by 1%, your property
25 taxes would be reduced by (insert amount of reduction) as an
26 individual property owner.

27 Section 4. The act is amended by adding a section to read:

28 Section 506. Public School Employees' Retirement System pension
29 contribution cost savings.

30 (a) Transfer.--Within 30 days after the enactment of a

1 general appropriations bill, the secretary shall transfer from
2 the General Fund 80% of the revenue from any cost savings
3 realized from a reduction in the Commonwealth's annual Public
4 School Employees' Retirement System contribution into the fund.

5 (b) Calculation.--The secretary shall determine the cost
6 savings under this section by calculating the amount of the
7 Commonwealth's annual Public School Employees' Retirement
8 System's contribution in the current fiscal year subtracted from
9 the Commonwealth's annual Public School Employees' Retirement
10 System contribution in the prior fiscal year.

11 (c) Certification.--The secretary shall certify the amount
12 of cost savings under this section by April 15 of each year for
13 transfer into the fund in the next fiscal year.

14 Section 5. Section 703(c) (3) (i) of the act is repealed:
15 Section 703. Tax relief.

16 * * *

17 (c) Exceptions.--The wage and net profits tax rates may only
18 be raised above the rates specified in subsection (b) (2) if all
19 of the following apply:

20 * * *

21 (3) The increase is necessary to respond to any of the
22 following:

23 [(i) A fiscal threat or condition, as certified by
24 the city's director of finance, that occurs to the city
25 as set forth in section 333(f) or an equivalent fiscal
26 threat that affects the citizens of the city. It shall be
27 the responsibility of the city's director of finance with
28 the approval of the Pennsylvania Intergovernmental
29 Cooperation Authority to ensure that any additional tax
30 revenue raised is equal to the amount expended to respond

1 to the fiscal threat or condition. If the amount of
2 revenue raised through rate adjustment exceeds the amount
3 necessary to respond, over the course of the city's
4 approved financial plan to the fiscal threat, the excess
5 amount shall be used for wage tax and net profits tax
6 reduction in the immediately succeeding approved
7 financial plan but only if the tax rate reduction,
8 expressed as the difference between the two tax rates,
9 would exceed .0002.]

10 * * *

11 Section 6. This act shall take effect in 60 days.