

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 461 Session of 2015

INTRODUCED BY HARHAI, THOMAS, STURLA, HARKINS, LONGIETTI,
KINSEY, SCHLOSSBERG, KOTIK, COHEN, McCARTER, KORTZ AND MURT,
FEBRUARY 17, 2015

REFERRED TO COMMITTEE ON EDUCATION, FEBRUARY 17, 2015

AN ACT

1 Amending the act of March 10, 1949 (P.L.30, No.14), entitled "An
2 act relating to the public school system, including certain
3 provisions applicable as well to private and parochial
4 schools; amending, revising, consolidating and changing the
5 laws relating thereto," in reimbursements by the Commonwealth
6 and between school districts, further providing for temporary
7 special aid to school districts suffering loss of tax revenue
8 due to bankruptcy of businesses in the school district; and
9 providing for temporary special aid to school districts
10 suffering loss of payment in lieu of taxes from local
11 sources.

12 The General Assembly of the Commonwealth of Pennsylvania
13 hereby enacts as follows:

14 Section 1. Section 2502.16(f) of the act of March 10, 1949
15 (P.L.30, No.14), known as the Public School Code of 1949, added
16 October 20, 1988 (P.L.827, No.110), is amended to read:

17 Section 2502.16. Temporary Special Aid to School Districts
18 Suffering Loss of Tax Revenue Due to Bankruptcy of Businesses in
19 the School District.--* * *

20 (f) The special payments authorized by this section and
21 [section] sections 2502.10 and 2502.53 shall be paid from a
22 restricted revenue account, which is hereby established, for

1 such payments. Funds shall be transferred by the Secretary of
2 the Budget only to the extent necessary to make the payments
3 authorized by this section and [section] sections 2502.10 and
4 2502.53.

5 * * *

6 Section 2. The act is amended by adding a section to read:

7 Section 2502.53. Temporary Special Aid to School Districts
8 Suffering Loss of Payment in Lieu of Taxes From Local Sources.--

9 (a) A school district that:

10 (1) experiences at least a twenty-five percent (25%) loss in
11 payment in lieu of taxes from local sources for the support of
12 the public schools in any one year due to the relocation of one
13 or more businesses within the boundaries of the public school
14 district to a location outside the boundaries of the public
15 school district; and

16 (2) has less than five percent (5%) of the district's total
17 operating budget in the estimated ending unreserved,
18 undesignated fund balance shall qualify for temporary special
19 aid under the provisions of this section for a period of two (2)
20 years as provided for in subsection (b): Provided, however, That
21 a school district that qualified for such payments prior to the
22 effective date of this section shall receive its first payment
23 in the year this section is enacted.

24 (b) If sufficient funds exist in the restricted revenue
25 account, such temporary special aid shall be equal to the loss
26 of total revenues provided for in subsection (a), payable to the
27 school district during the school year in which such loss due to
28 business relocation is suffered, plus an amount equal to fifty
29 percent (50%) of such amount payable to the school district
30 during the succeeding school year. Payments shall only be made

1 to school districts when the total amount payable under this
2 section is greater than five thousand dollars (\$5,000).

3 (1) Such temporary special aid shall be paid only once for
4 each such business relocation under subsection (a) and only upon
5 the condition that the school district tax rates which were in
6 effect at the time of the business relocation are not reduced.

7 (2) A school district which suffered the loss in total
8 revenue provided for in subsection (a) during the 2012-2013,
9 2013-2014 or 2014-2015 school year shall be eligible to receive
10 its first payment of temporary special aid during the 2014-2015
11 school year.

12 (c) The special aid authorized by this section shall be paid
13 from any funds not expended, enumerated or committed from
14 appropriations for grants and subsidies made to the Department
15 of Education: Provided, That no funds available from
16 appropriations for library-related activities may be used for
17 these payments.

18 (d) Nothing contained in this section shall disqualify a
19 school district from receiving temporary special aid due to real
20 property reassessments provided for in section 2502.10 or
21 disqualify a school district from receiving temporary special
22 aid due to bankruptcy of businesses in the school district
23 provided for in section 2502.16: Provided, however, That school
24 districts eligible for assistance under section 2502.10 or
25 2502.16 and which receive funds pursuant to those sections shall
26 not qualify for temporary special aid for such revenue loss
27 according to provisions of this section.

28 (e) The special payments authorized by this section,
29 sections 2502.10 and 2502.16 shall be paid from the restricted
30 revenue account established under section 2502.16(f). Funds

1 shall be transferred by the Secretary of the Budget only to the
2 extent necessary to make the payments authorized by this section
3 and sections 2502.10 and 2502.16. If insufficient funds exist in
4 the restricted revenue account, payments shall be made on a pro
5 rata basis.

6 (f) The Secretary of the Budget shall provide to the
7 chairman and minority chairman of the Appropriations Committee
8 of the Senate and the chairman and minority chairman of the
9 Appropriations Committee of the House of Representatives
10 information concerning the appropriation from which funds have
11 been transferred and the amounts transferred. The Department of
12 Education shall have a written policy concerning the method for
13 making payments to school districts, including the date by which
14 payments shall be made each fiscal year.

15 Section 3. This act shall take effect immediately.