

3 area state lawmakers vow to press for property tax reform

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Pennsylvania taxpayers know they could lose their homes if their financial circumstances worsen and they fail to pay their property taxes.

About two dozen members of the Daniel Boone Taxpayer Activists told three state lawmakers who represent portions of Berks County that the Legislature must do something to prevent taxpayers from being tossed out on the street.

The legislators said they would continue pushing for property tax reform as the new legislative session gets under way.

State Sen. Judith L. Schwank, D-11th Dist., state Rep. David M. Maloney Sr., R-130th Dist., and state Rep. Mark Gillen, R-128th Dist., attended the two-hour meeting at the Keystone Villa at Douglassville, and gave residents updates on their efforts in Harrisburg to get House Bill 1776 and Senate Bill 1400 to the floor for a vote.

Both bills stalled in the previous legislative session despite bipartisan support.

Schwank said all Berks County legislators are signed on to H.B. 1776 and there is increasing bipartisan support in the House for the bills that now propose property tax elimination by increasing the personal income tax from 3.07 percent to 4.34 percent, instead of the previous plan of raising the sales tax from 6 percent to 7 percent.

"My support for S.B. 1400 is as strong as it ever was," Schwank said. "It looks like it is the only thing that will work and more people have had their eyes opened to the possibility. Also we need to look at reducing spending. There is a lot of duplication in schools and now more talk about sharing services and staff."

"What's changing for a lot of our legislators is (the proposal of) reassessment (in an effort to equalize property taxes)," said Schwank. "Some (municipalities, districts) haven't been reassessed since the 1960s and people are scared. We will talk about looking at S.B. 1400 instead of reassessment, which is very controversial. That may stimulate legislators to start talking about this."

Schwank said the revised H.B. 1776 and S.B. 1400 have new formulas and real numbers and projections; if passed, they would increase the state's real estate industry and house sales.

"The bills have a lot of benefits that haven't been sold to legislators and there are new legislators in areas where there is new interest in reforming property taxes," said Schwank.

She said the state school code, written in 1949, must also be revamped to reduce or eliminate the mandates that make things more costly for public school districts, particularly now with charter school and cyber-charter school funding.

The millage rate in the Daniel Boone School District is 28.96 mills with the possibility of a 1.26 millage increase in July as one of four measures by the school board to reduce the potential \$5 million 2013-14 budget deficit.

If approved by the school board in June, annual tax bills on a property assessed at \$100,000 would increase from \$2,896 to \$3,022.

David Baldinger, administrator of the Pennsylvania Taxpayers Cyber Coalition, said that for 15 years there hasn't been any enabling legislation and many of the bills before the House are simply distractions from H.B. 1776 and S.B. 1400.

He said H.B. 2300, sponsored by Maloney, Gillen and others, is simply a distraction from H.B. 1776 and S.B. 1400.

H.B. 2300 would "amend the Pennsylvania Constitution to allow local taxing authorities to completely exclude homes and family farms from property taxes (right now they can only exclude 50 percent of the home's median assessed value in the taxing jurisdiction), and it



More than 500 people attended a May 2012 rally in Harrisburg demanding the elimination of property taxes in Pennsylvania. Photo by David Baldinger Jr.

would remove the constitutional barrier that prevents the General Assembly from enacting legislation that would provide 100 percent property tax exclusion.”

“Bring 1776 to the floor — we’ll take our chances against H.B. 2300,” said Baldinger. “The bill has been revised with the correct numbers: \$10 billion is paid in property taxes, and if eliminated, there would be \$9 billion revenue in the state, house values would increase by 10 percent, construction would increase, and all of that would attract new businesses to Pennsylvania. H.B. 1776 would be dollar for dollar, no formulas.”

Baldinger said legislators need to keep their eyes on the prize and not chase after other plans/bills.

Maloney said all state legislators who represent portions of Berks County “get the property tax issue” but support is needed from all parts of the state.

“There isn’t a day in Harrisburg when I’m not approached about property taxes or I’m talking about property taxes, including at the recent Pennsylvania Farm Show, but that isn’t the case with many other state legislators whose districts don’t have high property taxes,” Maloney said. “It’s a growing problem but it hasn’t been on the radar for many legislators but we’re going to continue pursuing H.B. 1776 and S.B. 1400.”

“This isn’t a Daniel Boone, Amity, or Birdsboro problem; it’s a Pennsylvania problem,” added Gillen, “and I’m in favor of property tax elimination so we can continue to live in Pennsylvania. There also has to be school finance reform. The product costs too much.”

Daniel Boone Taxpayer Activists Chairman Richard Martino and David Pool, co-chairman, both of Douglassville, formed the DBTA almost 10 years ago when some residents complained to the school board that their property taxes were as high as \$12,000 to \$15,000.

Martino said last night that the DBTA has done all it can at the local level except for members to run for a seat on the school board.

He encouraged residents to submit a nomination ballot by the Feb. 19 deadline.

“The past school boards have put us \$90 million in the debt,” said Martino, “and some of those members are still on the board, and we need to change that.”

“I see growth in Exeter Township and in Pottstown, but nothing is built here,” said Martino. “Reading Hospital got tired and left. We need to get more people involved with the (Amity) township supervisors.”

He said more members of the Daniel Boone Taxpayer Activists also need to regularly attend school board meetings.