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House of Representatives

Commonwealth of Pennsylvania Harrisburg

October 12, 2012

<u>MEMORANDUM</u>

TO: Members of the House Select Committee on Property Tax

FROM: Thomas J. Quigley, Chairman *House Select Committee on Property Tax*

SUBJECT: Roundtable Discussions – October 16 & 18, 2012

Pursuant to House Resolution 774, the House Select Committee on Property Tax will hold two roundtable discussions next week. The purpose of the meetings will be to discuss the findings of the Committee and its possible recommendations for inclusion in the report required by House Resolution 774.

The first roundtable will be held on Tuesday, October 16, from 9:30 – 10:30 a.m. in Room 245, Main Capitol Building.

The second roundtable will take place on Thursday, October 18, in Room 148, Main Capitol Building. This meeting will also run from 9:30 – 10:30 a.m.

Please contact Eileen Krick at 783-3154 or <u>ekrick@pahousegop.com</u> with your attendance plans. If you are unable to attend the meetings, kindly forward an official leave request to Eileen in Room 216, Ryan Office Building, prior to October 16.

COMMITTEES

APPROPRIATIONS EDUCATION LIQUOR CONTROL HUMAN SERVICES

HRC-AOc3

HOUSE OF REPRESENTATIVES

COMMONWEALTH OF PENNSYLVANIA

OFFICE OF THE CHIEF CLERK

Committee Attendance Record

DATE: October 16, 2012

COMMITTEE:	Select Comn	nittee on Pro	perty T	ax					
DATE:	ATE: October 16, 2012				PLACE:	Room 245, Main Capitol Building			
TIME CALLED	9:40 AM			TIME ADJOURNED:	10:15 AM				
MAJORITY MEMBERS		PRES	ABS	ON LEAVE	MINORITY MEMBERS		PRES	ABS	ON LEAVE
Quigley, Thomas – Chairman		X			Briggs, Timothy Vice-Chairman		X		
Brown, Rosemary		X			Bradford, Matthew		x		
Gabler, Matthew		X			Dean, Madeleine		x		
Krieger, Timothy		X			Kortz, William		x		
Micozzie, Nicholas				X	Thomas, Curtis			X	
Simmons, Justin		X			Wheatley, Jake		x		
Swanger, RoseMarie		X							
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Total Present				Glomes J Quegles					
Total Absent1									
Total Absent	with Leave	1			- · ·				

HOUSE OF REPRESENTATIVES COMMONWEALTH OF PENNSYLVANIA OFFICE OF THE CHIEF CLERK

OFFICIAL LEAVE REQUEST FORM

Ι,	Nicholas A. Micozzie	, hereby request an official leave of				
absence from th	nound table discussion e meeting/hearing of the		Select Committee on Property Taxes ,			
to be held on	Oct. 16, 2012	at	9:30 AM			
	DATE	-	TIME			
I will be absent for	the following reasons:					
Chairing	an Insurance Committee He	earii	ng at same time.			

10-16-10

DATE

Man Л. SIGNATURE

Republican Information Technology Services 07/02

HOUSE SELECT COMMITTEE ON PROPERTY TAX MINUTES OCTOBER 16, 2012

Chairman Quigley called the meeting of the House Select Committee on Property Tax to order at 9:40 a.m. on Tuesday, October 16, 2012, in Room 245 of the Main Capitol Building.

The following members were present:

Thomas Quigley, Chairman Rosemary Brown Matthew Gabler Timothy Krieger Justin Simmons RoseMarie Swanger Timothy Briggs, Vice Chairman Matthew Bradford Madeleine Dean William Kortz Jake Wheatley

The following member was absent:

Curtis Thomas

The following member was on leave:

Nicholas Micozzie

Chairman Quigley stated that the purpose of the roundtable meeting was to develop a broad outline for the Committee's report, which is required by House Resolution 774. He suggested that the report have two separate sections, one containing the facts and summation of the Committee's findings and one listing the Committee's recommendations.

Representative Wheatley commented that facts and summation are two different things. He said facts are things that are not disputable. He suggested that perhaps the report should have three sections: facts, summation of information presented by testifiers, and a set of recommendations.

Representative Dean said part one of the report should contain the Committee's charge and background information; part two should be a compilation of the areas on which testimony was presented; part three should outline what the Committee knows and what the Committee does not know; and then the final section should be recommendations that can be passed onto the standing committees. House Select Committee on Property Tax Minutes – October 16, 2012 Page 2

Vice Chairman Briggs remarked that Chairman Quigley did an excellent job of organizing very informational public hearings and that he was open to the Democratic members' wishes as to who should be testifying. He added that if any committee member thinks there should be information that should be part of the fact gathering, the Committee could request written testimony to be considered. Since the prevailing wage issue came up numerous times, he suggested that the Committee may want to reach out to the building trades for comment on this issue.

Chairman Quigley recommended that additional written testimony from other organizations be requested as quickly as possible, if there is any member wishing to do this, so the information can be provided to Anna Malcein, Legal Counsel for the Committee (R), and Jennifer Chapin, Research Analyst (D) for the Committee, for the final report.

Chairman Quigley announced that the next Select Committee meeting would be held on Thursday, October 18. He said the meeting might be canceled if the House is not in session. He added that when the House returns to session after the election, there will be a two-to-three hour committee meeting to flesh out all the details. He said he is hopeful that at that point the Committee will have a summation of all its meetings. He stated that at the following meeting in November, the Committee will tackle its recommendations and then vote the report up or down at the final meeting.

Representative Wheatley confirmed with Chairman Quigley that recommendations can be suggestions from outside information not brought up at the hearings.

Representative Gabler stated that the Committee's report will be useful not only in its recommendations but also in its findings. He suggested perhaps mentioning the obstacles that have been identified in the Committee's research and listing in the recommendations section the concepts that have broad agreement. He advised leaving some of the other things that are admittedly more difficult to get done. He added that the report could be a road map that if this is what you want to do, these are the obstacles that would need to be overcome.

Representative Kortz summarized Representative Gabler's comments by saying the recommendations would be broken down into short-term goals and long-term goals. He characterized the short-term goals as going after the "low-hanging fruit." Representative Gabler agreed with Representative Kortz's summarization, although he said he would maybe shy away from the bigger, longer-term goals, due to philosophical disagreements.

Chairman Quigley said as far as recommendations, he believes the one thing the committee members can all agree on is the constitutional amendment change to allow for the homestead exclusion.

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Representative Gabler confirmed with Chairman Quigley that statutory legislation would need to be passed after the constitutional amendment change to create the 100 percent homestead exclusion.

Anna Malcein distributed a list of the members' recommendations which were submitted for inclusion in the Committee's report.

Chairman Quigley suggested the members review the list of recommendations over the next few days. He explained that the topics were broad headings that were discussed at the hearings. He said school funding is a big part of it, as well as the mandates/cost drivers.

Representative Wheatley asked about the possibility of passing a law that protects veterans or seniors from losing their homes due to failure to pay property taxes. Chairman Quigley commented that legislation was offered in the past that would have directed all gaming revenue to senior citizens, subject to income and age limitations.

Representative Swanger confirmed with Anna that the state's uniformity clause would prevent the state from differentiating between commercial and residential properties, but not from differentiating between seniors and the general population. Chairman Quigley stated that perhaps there is a differentiation because senior aid is considered a tax credit.

Chairman Quigley indicated his interest in exploring the amendment Steve Nickol spoke about at the Committee's hearing held the previous day. He said the amendment would have the state picking up more of the pension costs and special education funding and then there would be a dollar for dollar reduction in school taxes.

Representative Dean distributed her list of suggested recommendations for the report to the committee members.

Representative Kortz said obviously this is predicated by House Bill 1776, which came up short \$1.7 billion. He suggested starting with House Bill 1776, having something separate to make up the shortfall, and then having other recommendations. Chairman Quigley responded that the Committee should summarize the Independent Fiscal Office's findings and the realtors' findings and their policy implications, allowing the General Assembly the opportunity to act on it. He added that he believes House Bill 1776 will be re-introduced next session regardless of what the Committee does.

Chairman Quigley encouraged the members to review the list of recommendations and provide feedback by Wednesday, October 24. He said the Committee would go through an outline of recommendations at its first meeting in November.

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There being no further business, the meeting was adjourned at 10:15 a.m.

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Thomas J. Quigley, Chairman