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House of Representatives
Commonwealth of Pennsylvania
Harrisburg

COMMITTEES

APPROPRIATIONS
EDUCATION
LIQUOR CONTROL
HUMAN SERVICES

November 8, 2012

MEMORANDUM

TO: Members of the House Select Committee on Property Tax

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

SUBJECT: Rescheduling of Roundtable Discussion – November 14, 2012

Pursuant to House Resolution 774, the House Select Committee on Property Tax has rescheduled its second roundtable discussion for Wednesday, November 14, 2012. As you will recall, this meeting was initially scheduled for October 18, but was canceled due to scheduling issues.

The purpose of the roundtable meeting will be to discuss the recommendations of the Committee, which will be included in the report required by House Resolution 774.

The meeting will be held in the Ryan Office Building Library (Room 200), and will begin promptly at 9:30 a.m.

Please contact Eileen Krick at 783-3154 or ekrick@pahousegop.com with your attendance plans. If you are unable to attend the meeting, kindly forward an official leave request to Eileen in Room 216, Ryan Office Building, prior to November 13.

HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE CHIEF CLERK

Committee Attendance Record

DATE: November 14, 2012

COMMITTEE: Select Committee on Property Tax

DATE: November 14, 2012

PLACE: Room 200, Ryan Office Building

TIME CALLED TO ORDER: 9:41 AM

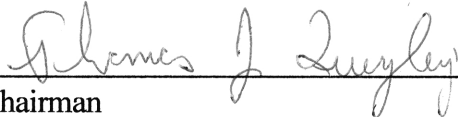
TIME ADJOURNED: _____

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						

Total Present 11

Total Absent 0

Total Absent with Leave 2



 Chairman

HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE CHIEF CLERK

OFFICIAL LEAVE REQUEST FORM

I, Nicholas A. Micozzie, hereby request an official leave of
NAME

absence from the meeting/hearing of the Select Committee on Property Taxes,
COMMITTEE

to be held on 11/14/2012 at 9:30 AM.
DATE TIME

I will be absent for the following reasons:

Out of town.

11/13/12

DATE

Nicholas A. Micozzie
SIGNATURE

HOUSE OF REPRESENTATIVES
COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE CHIEF CLERK

OFFICIAL LEAVE REQUEST FORM

I, Justin Simmons, hereby request an official leave of
NAME

absence from the meeting/hearing of the Select Committee on Property Taxes,
COMMITTEE

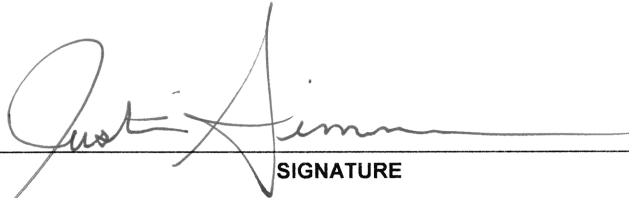
to be held on November 14, 2012 at 9:30 AM.
DATE TIME

I will be absent for the following reasons:

Vacation

November 13, 2012

DATE


SIGNATURE

**Submit this form to the Majority Committee Chairman prior to the Committee meeting.

**HOUSE SELECT COMMITTEE ON PROPERTY TAX
MINUTES
NOVEMBER 14, 2012**

Chairman Quigley called the meeting of the House Select Committee on Property Tax to order at 9:41 a.m. on Wednesday, November 14, 2012, in Room 200 of the Ryan Office Building.

The following members were present:

Thomas Quigley, Chairman
Rosemary Brown
Matthew Gabler
Timothy Krieger
RoseMarie Swanger

Timothy Briggs, Vice Chairman
Matthew Bradford
Madeleine Dean
William Kortz
Curtis Thomas
Jake Wheatley

There were no members absent.

The following members were on official leave:

Nicholas Micozzie
Justin Simmons

The purpose of the roundtable meeting was to discuss the recommendations of the Committee, which will be included in the report required by House Resolution 774.

Chairman Quigley began the meeting by saying that the Committee would be reviewing the list of suggested recommendations submitted by committee members. He said he hoped by the end of the day the Committee could get down to some things that everyone agrees on in principle and concept. He indicated that the Committee would deal with the more contentious and interesting suggestions at the next meeting. He said Vice Chairman Briggs and he discussed having a two-thirds majority vote for adoption of the recommendations, which will then go into the report. He added that the report would closely mirror past select committee reports in style/structure. He outlined the various sections of the report: chairman's remarks, committee structure and members, purpose, method, findings/discussion, recommendations and appendix. Anna Malcein, Legal Counsel (R) for the Committee, stated that the report would make it very clear what the Committee has found.

Representative Dean suggested that the Committee be a little more general in its recommendations so a consensus can be reached. Chairman Quigley agreed with Representative Dean's point.

Prior to the Committee beginning its review of the list of recommendations, Representative Wheatley suggested that payroll taxes be considered as a recommended alternative to property taxes. Anna Malcein indicated that such a measure would fall under the umbrella of "local options" for which the Committee is advocating.

Chairman Quigley then directed the Committee's attention to the recommendations under the heading entitled "School Funding." He said the broad recommendation would include revisiting the impact of hold harmless and/or looking at a new or improved funding formula.

Representative Wheatley inquired as to whether the Committee was talking about the distribution of school funding. He said he would support the recommendations, but thought that some items may be considered controversial.

Representative Gabler noted that the reason school funding distribution is always difficult is because there are winners and there are losers, and it is not known what the implications would be. He said the Committee should establish some sort of criteria against which school funding distribution could be measured.

Vice Chairman Briggs commented that it may be worthwhile to order the Independent Fiscal Office to come up with data and a funding plan. He also suggested asking the IFO to look at the hold harmless doctrine.

Representative Wheatley said the Committee cannot only look at the monetary issue as the bottom line. He added that first the Committee needs to consider the educational standards it is trying to achieve and then think about the funding level that is needed to achieve those standards. He further added that the Committee needs to think about how to distribute the funds and resources to reach that standard.

Chairman Quigley remarked that the Independent Fiscal Office study would determine the current state of funding and how a change in formula would affect that funding.

Representative Bradford said two additional things should be examined. He said the state-to-local funding ratio target number needs to be 50-50. He further added that proposals cutting out costing-out studies need to be even-handed.

Representative Brown noted that some districts are not as wealthy as they appear on paper. She said the information does not really reflect the true wealth of the district. She inquired as to where the information is coming from and the accuracy of it.

Representative Dean said as far as education funding goes, the Committee should pull back its lens and focus more broadly before making a recommendation.

Representative Gabler agreed with Representative Dean. He cautioned the members not to get into education policy as the Committee is a tax reform committee. He added that it may be more difficult to achieve a consensus on the Committee's report.

Representative Krieger asked what the Committee might ask the Independent Fiscal Office to do. Anna Malcein answered that an IFO report would examine the costs and funding implications of certain policies.

Representative Bradford said that alternative revenues need to be discussed. He added that either taxes need to be raised or education funding needs to shrink to eliminate property taxes.

Representative Thomas stated that there needs to be a dedicated source of revenue. He said a way needs to be found to fund education that does not result in annual additional burdens on communities.

Representative Gabler said that funding redistribution is not going to be the silver bullet to bringing about property tax reform. He added that the focus should be on reducing property taxes through reducing cost-drivers.

Chairman Quigley moved onto the second section of the recommendations which dealt with mandates/cost drivers. He noted that mandates are discussed a lot and may require further investigation.

Representative Gabler said as far as cost drivers in education are concerned, the goal should be to identify the mandates that do not improve the quality of education.

Vice Chairman Briggs stated that the priority should be educating children and that education costs should not be cut without addressing the revenue side.

Chairman Quigley asked, with regard to mandates, if perhaps commissions should be created to study the issues of special education and charter and cyber charter schools. He noted that this may be a way to provide relief to the taxpayer. Representative Dean lent her support to this suggestion. Chairman Quigley said the IFO could look at many of the topics dealing with mandates.

Chairman Quigley moved onto the recommendation suggesting the Right-to-Know Law be amended. He said perhaps the law could be revisited or expanded to allow local governments to recoup costs in cases of data mining.

Representative Swanger noted that reforming Act 111 was one of the suggested recommendations and asked whether the Committee was considering county property taxes or only school taxes. Chairman Quigley responded that the report would cover county property taxes as well as school taxes.

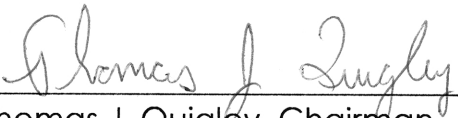
In terms of reassessment, Chairman Quigley commented that the report from the Legislative Budget and Finance Committee was helpful in gauging the current state of property taxes.

Representative Swanger advocated for a constitutional amendment that would allow residential and commercial properties to be assessed at different rates. Chairman Quigley agreed that real property should be treated as a separate class.

Chairman Quigley commented that the five suggestions under the "collections" heading were recommendations of the two attorneys who testified at the Committee's October 15 hearing. Representative Gabler said while he believes the recommendations have a lot of merit, there is still a lot of disagreement over local tax collection. He added that he would support the recommendations with the exception of the one that would change the laws regarding property tax collection.

Prior to recessing the meeting at 11:04 a.m., Chairman Quigley suggested that the Committee reconvene after the adjournment of session. Due to the

House session running later than anticipated, the Committee was unable to meet and did not reconvene its meeting on November 14, 2012.



Thomas J. Quigley, Chairman