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Lehigh Valley Schools and Homeowners Continue to be Shortchanged by Harrisburg

By Senator Lisa Boscola – 18th Senatorial District

The Commonwealth's Independent Fiscal Office ("IFO") just released a report showing that Northampton (5th) and Lehigh (7th) County homeowners face some of the highest property tax burdens in the state. Even with some of the heaviest tax burdens already, thirteen of the seventeen school districts in Northampton and Lehigh County raised their property taxes again this year. In the 18th Senatorial District, the district I represent, 5 out of 7 school districts raised property taxes.

In February 2023, the Commonwealth Court ruled that our public education funding system was unconstitutional. The Court found large inequities in funding between school districts. This was caused in large measure by our over reliance on local property taxes to fund our schools. In response to that ruling, as part of this year's budget we boosted the state's basic education funding by \$1.1 billion. Additionally, the legislature created a tax equity program with \$32 million dedicated to providing additional relief for homeowners in school districts with high property tax burdens.

This tax equity program clearly used a convoluted formula to dispense the money. Less than half the money (\$13 million) went to school districts in counties in the top 5 of heaviest tax burdened. Two counties in the top 5 (Northampton being one, Pike being the other) received no tax equity money. One school district in the Lehigh Valley received \$24,000, less than 1% of all the money allocated in the program despite Lehigh and Northampton counties' ranking in the IFO report.

Sadly, it's become too clear that many elected officials in Harrisburg are not serious about property tax reform – how do we know?

First, in the 2022 budget an overwhelming number of members of the General Assembly voted to double cross homeowners by removing table game revenue money from the property tax relief fund, which provides tax relief to homeowners, and placing it in the general fund. This vote has cost homeowners nearly \$400 million dollars in relief and will continue to shortchange the relief fund over \$140 million annually.

Second, the newly created tax equity fund to help school districts with the heaviest tax burdens was allocated in a way that shortchanged homeowners with the heaviest burden according to the IFO.

Third, twice this session I put forward a constitutional amendment calling for the elimination of property taxes for homeowners by the year 2026 and requiring the legislature to devise a replacement plan. Both times my Senate colleagues, many of whom claim to support the elimination of school property taxes for homeowners, used a procedural mechanism to avoid voting on the issue.

In addition to legislation to fully eliminate local school property taxes, I have proposed providing property tax relief to senior citizens. Senate Bill 469 would prohibit any political subdivision from imposing any increase in property taxes on residents that are 65 or older with some income limitations.

I am also introducing legislation to expand the Longtime Owner Occupant Program (LOOP) to provide property tax relief to more Pennsylvanians. This bill would be a constitutional amendment that would provide all counties the ability to opt-in to allow for property tax relief to homeowners who have lived in their homes for at least 10 years by exempting or deferring property tax increases, even if their home assessment values rise in the future.

Finally, as I referenced earlier, we need to scrap the convoluted tax equity formula enacted earlier this year. I am introducing legislation to incorporate IFO data, to ensure school districts in the counties with the highest tax burden receive priority funding from the tax equity program should it be used again next year.

As the IFO report demonstrates so convincingly, the issue of property taxes in the Lehigh Valley is real. It will take bold leadership in Harrisburg to fight for needed reform. Property tax relief will only happen by making it a priority... It is my top priority, and I will continue to relentlessly fight for needed changes. Homeowners in the Lehigh Valley deserve a break and teachers and administrators deserve a modern, reliable funding stream to ensure a quality education for every student in Pennsylvania.

Report: http://www.ifo.state.pa.us/download.cfm?file=Resources/Documents/County_Property_ Tax_Burden_Aug_2021.pdf



