

UPDATE: School Property Tax Elimination

I want to provide residents of the 40th Senate District with a thorough update on the number one issue in our region: school property tax elimination.

Many of you are familiar with the history behind the continued legislative push for a solution to school property taxes, but I want to give you a brief history and summary of the proposals currently under consideration.

Senate Bill 76

As a State Representative and now Senator, I have sponsored and co-sponsored a number of different school property tax bills. In recent years, I have joined in pushing hard for [Senate Bill](#)/House Bill 76, the “Property Tax Independence Act.” This bill proposes full elimination of all school property taxes on both residential and commercial properties through an increase in the state personal income tax and an increase and expansion of the state sales tax.

The last time this legislation was considered, the vote failed 24-24 in the Senate, with the Lieutenant Governor breaking the tie to vote against the proposal. After the failed vote, some supporters of the legislation discontinued their support of SB 76 and others lost to candidates who have not come out in support of school property tax elimination.

SB 76 has been re-introduced and supporters are working to overcome the same obstacles, including pressure from school groups and the business community. The school districts and teachers union oppose taking away the school district’s taxing authority and many legislators have opposed eliminating school taxes for commercial businesses (casinos, warehouses, industrial complexes, etc.). While I have repeatedly argued that elimination of school taxes will bolster and grow small businesses, others have spoken against “giving businesses a break.”

SB 76 currently has 18 co-sponsors – eight legislators short of the minimum needed to vote the bill out of the Senate. We are hoping to secure further support among new legislators.

Elimination for Owner-Occupied Homes & Other Measures

Many have asked about the state-wide voter referendum from 2017, where voters approved expanding the Homestead Exclusion Program to allow up to 100% elimination of school property taxes on owner-occupied homes.

While the voter referendum passed resoundingly, the referendum was only step one. Voters were simply asked to approve expanding the program – it did not automatically eliminate school property taxes. Step two would require the Senate, House and Governor to approve legislation to provide the *revenue* necessary to shift school funding away from property taxes. Developing consensus from the legislature on raising additional taxes to lower school property taxes is the ongoing challenge.

In response to the voter referendum, I have reintroduced my legislation from last session which would eliminate school property taxes for all owner-occupied homes (homesteads) in the Commonwealth.

This legislation is what is referred to as the “implementing legislation” to eliminate taxes on homesteads following the 2017 ballot measure. An increase in the personal income tax and sales tax – a smaller increase than what would be required under SB 76 – would provide enough revenue for elimination.

While the voters approved this change, the legislature must pass legislation to actually make it happen. I have spoken with leadership and fellow supporters of school property tax elimination in an effort to get a vote on this issue.

Finally, since action on school property taxes has proven difficult, I will be introducing school property tax legislation specifically geared toward seniors. Details will be forthcoming. While broader elimination is the goal, our seniors on fixed income are the most vulnerable in this whole fight. NO tax should have the power to leave you homeless, especially for our seniors.

In Conclusion

Please remember – any proposal requires the support of 26 senators, 102 representatives and the Governor’s signature.

I cannot give you an exact timeline for potential action on school property tax elimination. What I can tell you with certainty is that the continued obstacles are not from the supporters of these bills – it’s from the areas of the state that do not believe they have a school property tax problem (those that receive higher levels of funding, have wealthier communities or who have not had population growth). In addition, the Governor has not officially gotten on board with any plan on any school property tax legislation.

I would encourage you to reach out to the Governor and your State Representatives to make sure they know how important this CRITICAL issue is.

Please understand that, just because you might not read something in every update I send out, I am working hard on school property tax elimination. If you have any specific questions or want further updates, I would encourage you to call me directly on my personal cell phone at 570-269-6349.

I am hopeful we can get action on school property taxes soon and anticipate a vote this session.