

Commonwealth of Pennsylvania
Office of the Budget
Secretary of the Budget

April 15, 2019

Subject: Certification of Balance in Property Tax Relief Fund

To: Honorable Pedro A. Rivera
Secretary of Education

From: Jen Swails 
Secretary of the Budget

Earlier today I issued a statement certifying that sufficient funding is available for property tax relief payments under the Taxpayer Relief Act of 2006. Therefore, I am writing to inform you that the Department of Education is authorized to provide school districts with property tax reduction allocations under Section 505 of the act.

Of the amount certified, the department is authorized to provide school districts \$595.0 million for statewide property tax relief as required by Section 505 of the Taxpayer Relief Act and an additional \$25.5 million to reimburse eligible school districts pursuant to Section 324 of the act, commonly referred to as Sterling Act reimbursements. A total of \$146.3 million will be transferred to the Lottery Fund to reimburse costs related to supplemental and enhanced property tax/rent rebates.



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR

JEN SWAILS
SECRETARY
GOVERNOR'S OFFICE OF THE BUDGET

April 15, 2019

Honorable Pedro A. Rivera
Secretary of Education
333 Market Street, 10th Floor
Harrisburg, PA 17120

Dear Secretary Rivera:

This certification for the 2019-20 fiscal year marks the twelfth year of statewide property tax relief for Pennsylvania homeowners. This year, \$766.8 million will be available for property tax relief, including funding for the enhanced Property Tax/Rent Rebate program.

The balance in the Property Tax Relief Fund as of today is \$294.0 million. I am projecting that an additional \$474.8 million in revenue will be deposited into the fund in the next six months, bringing the total amount in the fund to approximately \$768.8 million. This includes a projected balance of \$2.0 million in the Property Tax Relief Reserve Fund.

If measures for assuring sustainability become necessary, I will notify the Pennsylvania Gaming Control Board to assess each slot machine licensee for the repayment of the outstanding loan balances from the Property Tax Relief Reserve Fund, pursuant to Section 1799-E of Act 46 of 2010. The total outstanding loan balance from the Property Tax Relief Reserve Fund as of today is \$16.0 million. This balance is due from the slot machine licensees.

Of the amount projected to be in the Property Tax Relief Fund by October 15, 2019, \$28.7 million will be transferred to the Lottery Fund to reimburse costs related to supplemental property tax rebates. Additionally, \$117.6 million will be transferred to the Lottery Fund for enhancements to the Property Tax/Rent Rebate program. The 2019-20 fiscal year marks the thirteenth year of the enhancements made to the Property Tax/Rent Rebate program.

In addition, \$25.5 million will be used to reimburse eligible school districts pursuant to Section 324 of the Taxpayer Relief Act. These are known as Sterling Act reimbursements.

After subtracting the amount of funding required for the Property Tax Relief Reserve Fund, supplemental funding for the Property Tax/Rent Rebate program and Sterling Act reimbursements, I certify that \$595.0 million will be available for statewide property tax relief.

Honorable Pedro A. Rivera
April 15, 2019
Page 2

Under the terms of the Taxpayer Relief Act, homeowners will see their property tax reduction itemized on their tax bill, which school districts will issue this summer. The amount of property tax relief will vary by school district. The Department of Education will notify each Pennsylvania school district of its property tax reduction allocation no later than May 1, as the act requires.

Please let me know if you require any additional information or assistance from my office.

Sincerely,

A handwritten signature in black ink, appearing to read "Jen Swails", with a long horizontal flourish extending to the right.

Jen Swails
Secretary of the Budget