

## Argall Statement – Property Tax – April 2011

Let me begin by giving you the results of my research regarding property taxes based on dozens of town hall meetings across the six counties I represent:

People don't just dislike property taxes—especially school district property taxes—they **hate** property taxes.

Here's why: This is what my constituents have seen in the last few decades:

- 1). Property taxes are an archaic, extremely old fashioned way to fund our public schools which began in the early 1800s.
- 2). Property taxes are an unfair way to fund our public schools, based not on common sense, but upon hundreds of different, competing decisions by judges whose names most of us could not identify.
- 3). In years when the state government could not afford to give school districts more funding, school district property taxes increased . . . but
- 4). In years when the state government did give school districts more funding—hundreds of millions of dollars of more funding, property taxes still increased.
- 5). I understand that there is no such thing as a popular tax—except perhaps, the one that you never have to pay, but some other guy does—But at least there are taxes that everyone can understand—for example, people understand the sales tax—If you buy a taxable item you pay 6 cents on the dollar. Plain and simple. Another example is the flat income tax in PA, with very few loopholes—what you pay depends upon what you earn, plain and simple.

What people understand about the property tax is very different; there are so many variables:

- 1). When was your house built?
- 2). When was your house remodeled?
- 3). How large is your lot?
- 4). When was your last county reassessment?
- 5). Does your school district take advantage of the court case on spot re-assessment? (If you need any information on that subject—ask my constituent, Mr. Boltz).
- 6). What kind of windows and roof and do you have have?

That's just crazy.

That's not the appropriate way to fund our public schools—maybe it made sense when school property taxes began in the 1800s—but I doubt it.

I suspect my great-great grandparents—the farmers, the coal miners, the shoemakers who came to Pennsylvania to try to make a living—I never met them, but I'll bet they didn't like property taxes any more than we do.

Many different solutions have been attempted in the past 60 years in PA:

- 1). In 1953, the State Legislature and Governor Fine enacted its first 1¢ sales tax “for Education,” tripled state aid for education, but failed to kill off the school district property tax.
- 2). In 1971, after a long battle, the State Legislature & Governor Shapp created PA's first 2.3% income tax—the “Emergency Income Tax”, —but it failed to kill off the school district property tax.
- 3). Also in the 1970s, the state legislature and Governor Shapp legalized a state lottery, which helps some senior citizens with their property taxes—but far from all.
- 4). In 2004 the Legislature and Governor Rendell , for the very first time, changed the law so that school districts can't increase taxes by more than the rate of inflation, but that has proven from far satisfactory.
- 5). The Legislature and Governor Rendell also legalized casino gaming in 2004 -- and that has only helped most people with a small fraction of their property taxes.

So what can we do?

I believe, based on all of my town hall meetings, that people don't just want school district property taxes frozen, they don't want them modified; they don't want them “improved”—they want them ended, for all time –just like those mythical vampires, they want to drive a stake through the heart of the property tax beast so it never comes back.

I have voted—based on what people in the 6 counties have asked me to do—to eliminate school district property taxes. Former Rep. Sam Rohrer brought the bill to the House floor several times, and I voted with him each time—and each time we were defeated—we did well with Representatives in districts like this one, in rural areas, but we were completely outvoted, 74 to 128, by representatives from the Philadelphia and Pittsburgh regions.

So what's left to do: My simple solution is to Let the People Decide. Put the issue on the ballot—if the people vote it down, so be it, at least we know we gave it our best shot.

My opinion, however, is that if you give the people a simply worded question, a fair choice to eliminate school district property taxes for all time, to replace our current crazy system with something else—that they will, once and for all, drive that stake through the heart of the property tax beast.

That's the goal of this legislation—I have introduced it in the Senate, now for the 2<sup>nd</sup> time, this time with 9 cosponsors—and for the 1<sup>st</sup> time, Rep. Heffley will introduced an identical bill in the House.

We don't care which bill passes—his or mine—we just want to give the people of PA a real choice on this issue—It's a relatively simple answer to a very complex problem which has plagued the people of PA for generation after generation.

In 1868, when my great-great-great grandfather Thomas Argall, a shoemaker from Cornwall, stood in the Schuylkill County Courthouse to become an American citizen and to renounce his allegiance, as the document states, “to Queen Victoria, Queen of Great Britain and Ireland”, we were stuck with this system. When his great-grandson, my grandfather Arthur Argall taught in a one room school house in West Penn Township in the 1920's—he was paid partly by the local farmers with vegetables.

We no longer pay school employees in vegetables—but we're still stuck with a very archaic, outmoded, and unfair property tax system. It is my fervent hope that we will finally give the voters a real choice to end this system. That is the goal of this legislation