

**RESOLUTION
OF THE BOARD OF SCHOOL DIRECTORS
OF THE
CENTRAL DAUPHIN SCHOOL DISTRICT
DAUPHIN COUNTY, PENNSYLVANIA**

A RESOLUTION AUTHORIZING THE CREATION OF A TAX DEFERRAL PROGRAM FOR THIS SCHOOL DISTRICT AND DIRECTING CERTAIN OFFICERS OF THIS SCHOOL DISTRICT TO ADMINISTER THE TAX DEFERRAL PROGRAM IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH.

WHEREAS, Act 50 of 1998 of the Commonwealth of Pennsylvania contains a provision allowing for the deferral of tax increases on the properties of individuals meeting certain income and other restrictions which is codified as the Real Estate Tax Deferment Program Act, 53 Pa.C.S. §§ 8571-8578 (the “Act”); and

WHEREAS, the Board desires to create a program for the residents of this School District whereby they may defer payment of any future increase in real estate taxes until they are able to pay such increase in exchange for a lien against the homestead of a resident, subject to the qualifications and limitations contained in the Act (the “Tax Deferral Program”).

NOW, THEREFORE, BE IT RESOLVED:

1. The Board hereby creates the Tax Deferral Program whereby a resident may receive an annual real estate tax deferral in the amount of the Increase in Real Property Taxes, as such phrase is defined in the Act, upon the homestead of the resident upon applying to the School District and meeting certain criteria as outlined herein and in the Act.

2. A resident shall be eligible for a real estate tax deferral if the resident and the resident’s spouse have a household income not exceeding the maximum household income eligibility limitations set forth in the act of March 11, 1971 (P.L.104, No.3), known as the Senior Citizens Rebate and Assistance Act. The Senior Citizens Rebate and Assistance Act has been modified by Act 1 of 2006, increasing the maximum household income limitation to \$35,000, excluding 50% of social security income.

3. No real estate tax deferrals shall be granted if the total amount of deferred taxes plus the total amount of all other unsatisfied liens on the homestead of the resident plus the outstanding principal on any and all mortgages on the homestead exceeds 85% of the market value of the homestead or if the outstanding principal on any and all mortgages on the homestead exceeds 70% of the market value of the homestead. Market value shall equal assessed value divided by the common level ratio as most recently determined by the State Tax Equalization Board for the county in which the property is located. The Dauphin County Commissioners have fixed the common level ratio at 1.00, thus assessed value equals market value.

4. Any resident of the School District meeting the initial criteria in Sections 2 and 3 herein may apply for the Tax Deferral Program. In the initial year of application, the following information must be provided by the resident to the School District in compliance with the Act:

- i. A statement of request for the real estate tax deferral.
- ii. A certification that the applicant or the applicant and his or her spouse jointly are the owners in fee simple of the homestead upon which the real property taxes are imposed.
- iii. A certification that the applicant's homestead is adequately insured under a homeowner's policy to the extent of all outstanding liens.
- iv. Receipts showing timely payment of the immediately preceding year's nondeferred real property tax liability.
- v. Proof of income eligibility under Section 2 herein.
- vi. Proof that the applicant is eligible under Section 3 herein.
- vii. An acknowledgment that the applicant is responsible to notify the School District if the applicant no longer meets the eligibility requirements of Sections 2 and 3 herein.

5. After entry into the Tax Deferral Program, a resident shall remain in the Tax Deferral Program in subsequent years so long as the resident continues to meet the requirements of Sections 2 and 3 herein. In the event that a resident in the Tax Deferral Program shall no longer meet the requirements of Sections 2 and 3 herein, the resident shall be responsible for notifying the School District of such ineligibility, and the resident shall receive no future tax deferrals until the resident reapplies for the Tax Deferral Program in the manner outlined in Section 4 herein. Any accrued tax deferrals shall be payable only in accordance with Section 7 herein.

6. All tax deferrals under the Tax Deferral Program shall constitute a prior lien on the homestead of the resident in favor of the School District and shall attach as of the date and in the same manner as other real estate tax liens. The deferred taxes shall be collected as other real estate tax liens, but shall be due, payable and delinquent only as provided in Section 7 herein.

7. The deferred taxes granted under the Tax Deferral Program shall be due, payable and delinquent as provided in this Section.

- i. All or part of the deferred taxes may be paid at any time to the School District.
- ii. In the event that the deferred taxes are not paid by the resident or the resident's spouse during his or her lifetime or during their continued ownership of the homestead, the deferred taxes shall be paid either:
 - a. prior to the conveyance of the homestead to any third party; or
 - b. prior to the passing of the legal or equitable title, either by will or by statute, to the heirs of the resident or the resident's spouse.

- iii. The surviving spouse of a resident shall not be required to pay the deferred taxes by reason of his or her acquisition of the homestead due to death of the resident as long as the surviving spouse maintains his or her domicile in the property. The surviving spouse may continue to participate in the tax deferral program in subsequent years provided he or she is eligible under the provisions of the Act.

8. The Board hereby appoints the Assistant Superintendent for Finance and Administrative Operations of the School District to administer the Tax Deferral Program in compliance with the Act.

9. In compliance with the Act, any application for a tax deferral which the School District distributes to its residents must contain the following disclosures:

- i. A statement that the tax deferral granted under the Act is provided in exchange for a lien against the homestead of the applicant; and
- ii. An explanation of the manner in which the deferred taxes shall become due, payable and delinquent and include, at a minimum, the consequences of noncompliance with the provisions of the Act (*i.e.* the consequences of failing to pay other real estate tax liens, subject to the limitations outlined in Section 7 herein).

10. All resolutions or parts of resolutions inconsistent herewith are rescinded, cancelled and annulled.

11. In the case any one or more of the provisions of this Resolution shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Resolution and this Resolution shall be construed and enforced as if such illegal or invalid provisions had not been contained herein.

DULY ADOPTED by majority vote of the Board at a public meeting duly convened and held on June 25, 2018.

CENTRAL DAUPHIN SCHOOL DISTRICT,
Dauphin County, Pennsylvania

By: _____
(Vice) President of the Board of
School Directors

ATTEST:

Secretary

(SEAL)