



Proposed Legislation in Pennsylvania

By David H. Comer

Senate Bill No. 552

Senate Bill No. 552 proposes to amend the Pennsylvania Municipalities Planning Code by adding provisions to provide for educational impact fees and assessments in certain school districts. You may recall that similar legislation has been proposed in the past.

The purpose of the proposed legislation, as stated in Senate Bill No. 552, is "to provide a means to enable a school district to adjust its resources to the influx of student population caused by new development and to impose a fee to allow that district to cover the incremental costs associated with increased enrollment." To that end, the proposed legislation defines several terms, including the following:

1. **"Eligible School District"** - A school district in which the school pupil enrollment has increased by at least an average of five percent in the five years prior to the current school year
2. **"Educational Impact Fee"** - A charge or fee imposed by a school district against new residential development in order to enable that school district to develop such programs and facilities as may be necessary to accommodate increased student enrollment

The proposed legislation would allow the board of directors of an eligible school district to levy an educational impact fee on each subdivision plan and building permit issued for the construction of new residential units located within its geographic boundaries.

The amount of the educational impact fee levied on each proposed subdivision plan may be a fixed fee not to exceed \$1,000 for each residential dwelling in a proposed subdivision plan or a fee based on a pupil cost that may not exceed 15 percent of that pupil cost.

The amount of the educational impact fee levied on each building permit, meanwhile, may be a fixed fee not to exceed \$2,500 for each building permit or a fee based on a pupil cost that may not exceed 30 percent of that pupil cost.

An eligible school district may reduce or eliminate the educational impact fee on affordable housing units for low-income or moderate-income individuals. Additionally, the proposed legislation provides that an eligible school district shall waive the educational impact fee for building permits issued for the replacement of existing dwelling units.

An eligible school district is required to deposit the educational impact fees that it collects into a separate school account that may only be used for new construction for additional classrooms or renovation of existing buildings to expand classrooms or classroom space.

Furthermore, for subdivisions located in an eligible school district, subdivision plans are required to include an educational impact assessment that provides, among other things, the time frame for construction of the dwelling units and an estimate of the number of school-age children who can reasonably be expected to be residing in the dwelling units based on certain demographic characteristics.

For more information about this topic, contact David Comer at 610.397.7963 or dcomer@foxrothschild.com.



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