

**CHELTENHAM TOWNSHIP
MONTGOMERY COUNTY, PENNSYLVANIA**

ORDINANCE NO. 24__-20

AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF CHELTENHAM TOWNSHIP, MONTGOMERY COUNTY, PENNSYLVANIA, PURSUANT TO THE HOME RULE CHARTER AND OPTIONAL PLAN LAW PROPOSING AMENDMENT OF THE CHELTENHAM HOME RULE CHARTER BY REFERENDUM TO THE QUALIFIED VOTERS OF THE TOWNSHIP TO ALLOW AN INCREASE OF THE EARNED INCOME TAX LEVIED BY THE TOWNSHIP OF UP TO ONE PERCENT (1%)

WHEREAS, Cheltenham Township adopted a Home Rule Charter in 1976 in order to exercise the right of self-government to the extent permitted by state law; and

WHEREAS, the Board of Commissioners of Cheltenham Township (“Board of Commissioners”) and its staff and consultants have identified a compelling need to increase the earned income tax by up to ½ percent to address serious financial problems; and

WHEREAS, the Board of Commissioners has determined that it is in the best interests of the Township to moderately increase the earned income tax rather than increasing the millage for real estate taxes as an equitable and more substantial revenue source; and

WHEREAS, a home rule community is permitted to tax earned income at any rate (53 Pa. C.S. §2962(b) but the Cheltenham Township Home Rule Charter limits the sources and rates of taxation to any applicable state statute which would govern in the absence of the Charter (Section 1210A.2.), another arguably applicable statute 53 P.S. §6924.311 limits Townships of the First Class to a 1% earned income tax rate, while half (½) of a percent of the existing earned income tax is received by the School District of Cheltenham Township; and

WHEREAS, the Board of Commissioners desires to amend Section 1210A.2 of the Home Rule Charter to increase the tax rate levied by the Township under Article IV, Chapter 270 of the Township Code up to 1%; and

WHEREAS, the Pennsylvania Home Rule Charter and Optional Plans Law requires an existing home rule charter to be amended by referendum.

NOW, THEREFORE, the Board of Commissioners of the Township of Cheltenham hereby ordains and enacts as follows:

1. The Solicitor shall notify and communicate to the Montgomery County Board of Elections to pose the following question on the ballot of the next election:

"Shall the Cheltenham Township Home Rule Charter be amended so that Section 1210A.2 reads: ‘As to all other sources of taxation except Earned Income Tax of up to 1%, the Board shall be limited as to sources and rates

by any applicable state statute which would govern the Board in the absence of this Charter.' in order for the Board of Commissioners to be able to increase the rate of the earned income tax levied by the Township up to a full 1%? **Yes or No"**

2. Plain English Statement:

Cheltenham Township cannot levy the earned income tax rate to 1% exclusively for the Township without an amendment to its Home Rule Charter. A majority vote "Yes" to this question would authorize the Board of Commissioners to raise the earned income tax rate levied by the Township up to 1%.

3. The appropriate Township Officers are authorized to take all necessary steps and to execute any necessary documents to carry out this Ordinance of the Board.

4. A copy of this Ordinance shall be posted on the Township website promptly.

ADOPTED by the Board of Commissioners of Cheltenham Township, in lawful special session duly assembled, this 29th day of July, 2020.

ATTEST:

**TOWNSHIP OF CHELTENHAM
BOARD OF COMMISSIONERS**

Terry Fedorchak
Interim Township Manager & Secretary

By: _____
Daniel B. Norris, President