



# City of Philadelphia

City Council  
Chief Clerk's Office  
402 City Hall  
Philadelphia, PA 19107

**BILL NO. 130163**

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**Introduced March 7, 2013**

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**Councilmembers Oh and Johnson**

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**Referred to the  
Committee of the Whole**

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## **AN ORDINANCE**

Amending Title 19 of The Philadelphia Code, entitled "Finance, Taxes and Collections," by amending Chapter 19-1300 of The Philadelphia Code, entitled "Real Estate Taxes," by providing for certain deferrals of payment of a certain portion of Real Estate Taxes due the City of Philadelphia or the Philadelphia School District, for owner-occupied properties that are the owner's primary residence, with a limitation of five years.

WHEREAS, The Actual Value Initiative is being implemented, providing more straightforward assessments of real estate based on actual current market values, which in itself will make the system for the taxation of real estate more fair; but

WHEREAS, In a number of instances unexpectedly large increases in real estate assessments and resulting taxes due within a year make personal financial planning for the increases more difficult and have the potential to create personal hardships upon homeowners; now, therefore

*THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:*

SECTION 1. Title 19 of The Philadelphia Code, entitled "Finance, Taxes and Collections," is hereby amended by adding a new subsection to Section 19-1307, entitled "Deferrals of Real Estate Tax," to read as follows:

TITLE 19. FINANCE, TAXES AND COLLECTIONS.

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## CHAPTER 19-1300. REAL ESTATE TAXES.

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### § 19-1307. Deferrals of Real Estate Tax.

#### *(1) Standard Deferrals.*

[(1)] (a) The Department of Revenue is authorized to grant deferrals, in whole or in part, of increases in Real Estate Taxes, that may be due the City of Philadelphia or the School District of Philadelphia, upon making a determination of the eligibility for deferral of a property owner.

[(2)] (b) Eligibility for a deferral of payment of an increase in real estate taxes may be granted for any increase, or portion thereof, of Real Estate Taxes due to an increase in assessed value of real estate, that is greater than fifteen percent (15%), in any given year, upon consideration of the following factors:

[(a)] (.1) Household Income; and

[(b)] (.2) Reasonable Household Expenses including, but not limited to, housing, food, transportation, education, health care, debt service payments, and overall tax burden; and

[(c)] (.3) Available liquid assets.

[(3)] (c) Interest at the rate of six percent (6%) per year shall be assessed on the total deferred amount due.

[(4)] (d) The deferral shall be effective until the date of sale of the property.

[(5)] (e) A property owner may satisfy the debt consisting of the deferred amount and the accumulated interest at any time prior to the sale of the property.

#### *(2) Deferrals Due To Large Increases in Assessments.*

*(a) The Department of Revenue is authorized to grant deferrals, in whole or in part, of increases in Real Estate Taxes for owner-occupied properties that are the owner's primary residence, that may be due the City of Philadelphia or*

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*the School District of Philadelphia, upon making a determination of the eligibility for deferral of a property owner.*

- (b) Eligibility for a deferral of payment of an increase in real estate taxes shall be granted for any increase, or portion thereof, of Real Estate Taxes due to an increase in assessed value of real estate that is greater than two hundred and fifty percent (250%) in any given year on the amount exceeding that two hundred and fifty percent (250%).*
- (c) Interest at the rate of six percent (6%) per year shall be assessed on the total deferred amount due, with interest accumulated and compounded.*
- (d) The deferral shall be effective until the date of sale or transfer of title of the property, or 5 years, whichever comes first, and shall include the accumulated and compounded interest.*
- (e) A property owner may satisfy the debt consisting of the deferred amount and the accumulated and compounded interest at any time prior to the sale or transfer of title of the property.*

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**Explanation:**

[Brackets] indicate language deleted.  
*Italics* indicate new language added.

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