

City of Philadelphia



Council of the City of Philadelphia
Office of the Chief Clerk
Room 402, City Hall
Philadelphia

(Resolution No. 130029)

RESOLUTION

Authorizing Council's Committee on Rules to hold hearings on the issue of charitable exemptions from property taxes, and use of land subject to such charitable exemptions for commercial purposes.

WHEREAS, In 1985, the Commonwealth of Pennsylvania State Supreme Court held that an organization seeking charitable exemption from any Pennsylvania tax must satisfy Article VIII, Section 2(a)(v) of the Pennsylvania Constitution commonly referred to as the "HUP Test"; and

WHEREAS, The "HUP Test" states an organization seeking charitable exemption must advance a charitable purpose, donate or render gratuitously a substantial portion of its services; benefit a substantial and indefinite class of persons who are legitimate subjects of charity; relieve the government of some of its burden and operate entirely free from private profit motive; and

WHEREAS, In 2012, the Commonwealth of Pennsylvania State Supreme Court held, in the case referred to as Pike County, that an applicant for Charitable Exemption must prove compliance with the Court's "HUP Test"; and

WHEREAS, According to the Chronicle of Philanthropy, organizations with charitable exemptions own 10.8% of total assessed value of properties in the City of Philadelphia; and

WHEREAS, According to an Inquirer/Plan Philly study, there are forty one thousand and seventy four (41,074) parcels that are fully or partially exempt from property taxes; and

WHEREAS, According to the Inquirer/Plan Philly study, five hundred and twenty eight million dollars (\$528 million) in property taxes were not collected due to charitable exemptions; and

WHEREAS, In the climate of increased fiscal instability and economic woes particularly for the School District of Philadelphia, it is prudent that the Council of the City of Philadelphia ensure that all property owners, including charitable organizations, are assessed for use of land that is used for commercial purposes; now, therefore, be it

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RESOLUTION NO. 130029 continued

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That the Committee on Rules is hereby authorized to hold hearings on the issue of charitable exemptions from property taxes, and use of land subject to such charitable exemptions for commercial purposes; in furtherance of such investigation, the Committee on Rules is authorized, to the full extent authorized under Section 2-401 of the Home Rule Charter, to issue subpoenas to compel the attendance of witnesses and the production of documents.

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CERTIFICATION: This is a true and correct copy of the original Resolution, Adopted by the Council of the City of Philadelphia on the twenty-fourth of January, 2013.

Darrell L. Clarke
PRESIDENT OF THE COUNCIL

Michael A. Decker
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmember Reynolds Brown

Sponsored by: Councilmembers Green, Goode, Blackwell, Squilla, Council President Clarke, Councilmembers Oh, Jones, Quiñones Sánchez, O'Neill, Bass and Tasco