



# City of Philadelphia

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

**BILL NO. 050951**

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**Introduced October 27, 2005**

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**Councilmember Nutter**

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**Referred to the  
Committee of the Whole Council**

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## **AN ORDINANCE**

Amending Title 19 of The Philadelphia Code, entitled "Finance, Taxes and Collections," by adding a new Chapter providing for the exclusion from real estate taxes of a portion of the assessed value of homestead property; all under certain terms and conditions.

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

SECTION 1. Title 19 of The Philadelphia Code is hereby amended to read as follows:

### TITLE 19. FINANCE, TAXES AND COLLECTIONS

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#### *CHAPTER 19-3500. HOMESTEAD EXEMPTION*

*§19-3501. Definitions.*

- (1) Assessment Year. The calendar year prior to the Tax Year.*
- (2) Board. The Board of Revision of Taxes.*
- (3) Domicile. As defined in 53 Pa.C.S. §8401.*
- (4) Homestead. A dwelling, including the parcel of land on which the dwelling is located and the other improvements located on the parcel, for which any of the following apply:*

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(a) *The dwelling is primarily used as the domicile of an owner who is a natural person. The homestead for real property qualifying under this subsection shall not include the land on which the dwelling is located if the land is not owned by a person who owns the dwelling.*

(b) *The dwelling is a unit in a condominium as the term is defined in 68 Pa.C.S. § 3103 (relating to definitions) and the unit is primarily used as the domicile of a natural person who is an owner of the unit; or the dwelling is a unit in a cooperative as the term is defined in 68 Pa.C.S. § 4103 (relating to definitions) and the unit is primarily used as the domicile of a natural person who is an owner of the unit. The homestead for a unit in a condominium or a cooperative shall be limited to the assessed value of the unit, which shall be determined in a manner consistent with the assessment of real property taxes on those units under 68 Pa.C.S. (relating to real and personal property) or as otherwise provided by law. If the unit is not separately assessed for real property taxes, the homestead shall be a pro rata share of the real property.*

(c) *The dwelling does not qualify under subsections (1) and (2) and a portion of the dwelling is used as the domicile of an owner who is a natural person. The homestead for real property qualifying under this subsection shall be the portion of the real property that is equal to the portion of the dwelling that is used as the domicile of an owner.*

(5) *Homestead Property. A homestead for which an application has been submitted and approved under the provisions of this Chapter.*

(6) *Tax Year. The calendar year during which the tax imposed by Chapter 19-1300 is due and payable.*

## *§19-3502. Homestead Exclusion.*

(1) *Beginning with Tax Year 2007 and for each Tax Year thereafter, the first \_\_\_\_\_ thousand dollars (\$\_\_\_\_\_) of the assessed value of a Homestead Property shall be excluded from the tax imposed by Chapter 19-1300 (“Real Estate Taxes”).*

(2) *If Chapter 19-1300 ever imposes the tax on a “split rate” basis whereby different millage rates are applied to land and the improvements upon land, the exclusion established under subsection (1) shall be applied first to the value of the improvements, and the remainder of the exclusion, if any, shall be applied to the value of the land.*

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(3) *The exclusion authorized under subsection (1) for a dwelling constructed during the Assessment Year and used as Homestead Property shall be prorated in a manner consistent with the assessment of real property taxes on that dwelling.*

## *§19-3503. Administration and Procedure.*

(1) *The owner or owners of real property seeking to have property approved as Homestead Property shall file an application with the Board on the form required by 53 Pa.C.S. §8587. Upon receiving such an application, the Board shall make a determination as to whether all or a part of such property qualifies as Homestead Property.*

(2) *To qualify for the exclusion in any Tax Year, applications must be filed with the Board by March 1 of the Assessment Year (the “filing deadline”).*

(2) *The Board shall provide sufficient notice to the public regarding the availability of applications to designate real property as Homestead Property and all filing deadlines. The Board shall make applications available at least 75 days before the filing deadline.*

(3) *The Board shall provide to each property owner whose application for approval as Homestead Property is being denied in whole or in part a written notice of denial by first class mail not later than 120 days after the filing deadline. The notice shall include all reasons for denial. Failure by the Board to provide notice under this subsection shall be deemed to be approval of the application.*

(4) *An owner aggrieved by the determination of the Board under subsection (1) may appeal to the Board for a review of the determination in a manner consistent with the provisions for appeal of assessments under the applicable assessment law. Appeals under this subsection shall be limited to whether the application meets the requirements of subsection (1) and whether the parcel for which the appeal is made meets the definition of “Homestead.”*

(5) *Appeals regarding the assessed value of real property under the applicable assessment law shall be based on the assessed value of the real property before application of the exclusion for Homestead Property. The issue of qualification as Homestead Property shall not be raised in an appeal except as provided in subsection (4).*

## *§19-3504. Change of Use or Ownership.*

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(1) *A property owner whose property had been approved as Homestead Property but which no longer qualifies as Homestead Property because of a change of use shall notify the Board within 45 days of the date the property no longer qualifies as Homestead Property. The failure to notify the Board as required by this subsection shall be treated in the same manner as a false application under §19-3505.*

(2) *Except as provided in subsection (1), a determination that a property is Homestead Property shall remain valid until the property is sold, transferred or otherwise conveyed, at which time the new property owner may file an application to have the property approved as Homestead Property. Whenever real property conveyance documents are presented for recording, the Department of Records shall provide notice to the grantee of the provisions of this subsection.*

(3) *If a property is Homestead Property for only a portion of an Assessment Year, the exclusion provided by this Chapter for the Tax Year shall be prorated by the percentage of the year the property qualified as Homestead Property.*

*§19-3505. False applications; Penalties.*

(a) *As provided under 53 Pa.C.S. §8584(h), any person who files an application under §19-3503(a) which is false as to any material matter shall:*

(1) *pay any taxes which would have been due but for the false application, plus simple interest computed at the rate provided in section 806 of the act of April 9, 1929 (P.L. 343, No. 176), known as The Fiscal Code;*

(2) *pay a penalty equal to 10% of the unpaid taxes computed under subsection (1); and*

(3) *upon conviction for filing an application under subsection (a) which a person knows to be fraudulent, be guilty of a misdemeanor of the third degree and be sentenced to pay a fine not exceeding \$ 2,500.*

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SECTION 2. This ordinance shall take effect upon enactment of authorizing legislation by the General Assembly.

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**Explanation:**

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