

City of Philadelphia



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

(Resolution No. 050618)

RESOLUTION

Calling upon the City Administration to adopt guidelines and establish an affordable collection program that would offer delinquent real estate tax installment payment agreements to homeowners with low incomes or who suffer financial hardships and to provide for conditional reduction or total waiver of accrued interest, penalties, charges and fees; and further urging this action be taken prior to August 1, 2005.

WHEREAS, The City of Philadelphia has a fiscal responsibility to collect all forms of revenue to fund municipal services and operations, causing the City, through various departments, agencies and collectors, to take aggressive actions to increase and tighten the delinquent real estate tax collection process; and

WHEREAS, These stringent collection measures have a grave and adverse effect on a great many real estate taxpayers with low-incomes or who suffer financial hardships - including families and individuals living at or below federal poverty levels, senior citizens on fixed-incomes, mentally and/or physically disabled - all of whom face serious and numerous financial challenges, surviving on minimal earnings; and

WHEREAS, Notwithstanding low-income and/or financial hardships, homeowners want to pay their delinquent real estate taxes, but are in need of long term payment plans to “cure” their obligation and are severely “locked into” insurmountable debt due to interest, penalties, other charges and fees which accrue on taxes owed; and

WHEREAS, Harsh payment requirements, high tax debt levels and additional liabilities confronting homeowners with low incomes or those suffering financial hardships, generally result in payment failure, the inevitable loss of their homes through a tax lien foreclosure, eviction and perhaps homelessness; and

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WHEREAS, The most recent census data indicate, by some estimates, that more than 43% of Philadelphians live below 200% of the Federal Poverty Line, putting hundreds, if not thousands of homeowners with low-income or in financial hardship at risk of losing their properties – which would create a bona fide economic and social service crisis in the City; and

WHEREAS, City Council recognizes, that under current policy, overwhelming difficulties and, in most cases, impossible circumstances are threatening these homeowners as they struggle to pay their delinquent real estate tax obligations that include - in addition to the principal amounts owed - accruing interest, penalties, charges and fees; and

WHEREAS, Affordable collection programs offering conditional payment incentives have proven to be successful in Philadelphia and other municipalities, and would cause the City to realize substantial outstanding revenue, while helping to avoid economic and social crisis for financially challenged homeowners as well as the entire Philadelphia community; now therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That we call upon the City Administration to adopt guidelines and establish an affordable collection program that would offer delinquent real estate tax installment payment agreements to homeowners with low incomes or who suffer financial hardships and to provide for conditional reduction or total waiver of accrued interest, penalties, charges and fees; and further urging that this action be taken prior to August 1, 2005.

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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 ninth of June, 2005.

Anna C. Verna
PRESIDENT OF THE COUNCIL

Patricia Rafferty
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmembers Blackwell, Clarke and Council President Verna

Sponsored by: Councilmembers Blackwell, Clarke, Council President Verna, Councilmembers Reynolds Brown, Goode, Ramos, DiCicco, Rizzo, O'Neill, Mariano, Tasco, Kelly, Kenney, Krajewski, Nutter, Miller and Cohen