

# City of Philadelphia



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

(Resolution No. 130276)

## RESOLUTION

Authorizing the Committee on Fiscal Stability & Intergovernmental Cooperation to hold public hearings to investigate revenue enhancement measures that can enable a one percent Real Estate Tax rate for FY2014.

WHEREAS, Mayor Michael Nutter has proposed a \$3.755 billion budget for FY2014, with \$536 million in revenue expected from the Real Estate Tax, or about 14 percent of the City's total expected revenue; and

WHEREAS, The City of Philadelphia's property tax assessment system is unregulated by the State of Pennsylvania, and has for decades been considered "broken", with highly irregular and inconsistent assessments the norm. In fact, there has never been a thorough field inspection of all properties. To rectify the issue, each of the City's 579,383 real estate parcels were reassessed between 2011 and 2013. This effort, known as the Actual Value Initiative, will change the certified market value of every property in the City and will also change the method for calculating individual tax bills; and

WHEREAS, As compared to other large cities, Philadelphia's Real Estate Tax rate is high, particularly the share paid by residential properties. With the transition to proper reassessments and full valuation, owners of residential and commercial property alike are in near-panic; more than one in five property owners is facing tax bill increases above \$400; and

WHEREAS, Mayor Nutter's proposed expenditures for FY2014 have increased nearly \$100 million from last fiscal year, and are building on increases from two previous fiscal years. Without a budgeting mechanism that is program- or zero-based in nature, a transparent evaluation of the Administration's proposed spending and revenue requests is difficult. As such, it is fiscally irresponsible not to seek additional revenue enhancement measures that can lower the Mayor's proposed Real Estate Tax rate of 1.32 percent towards a rate of 1.0 percent. Several measures have been proposed by City Council but remain unexamined by the Administration. Additionally, the City could financially

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benefit from tax lien sales, delinquent tax collections, and the sale of City-owned vacant and abandoned lots and buildings; now, therefore, be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That the Committee on Fiscal Stability & Intergovernmental Cooperation is hereby authorized to hold public hearings to investigate revenue enhancement measures that can enable a one percent Real Estate Tax rate for FY2014.

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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 eleventh of April, 2013.

Darrell L. Clarke  
PRESIDENT OF THE COUNCIL

Michael A. Decker  
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmember Kenney

Sponsored by: Councilmembers Johnson, Reynolds Brown and Greenlee