



City of Philadelphia

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

BILL NO. 040787

Introduced September 23, 2004

Councilmembers Clarke, Kenney and Ramos

**Referred to the
Committee on Finance**

AN ORDINANCE

Enacting a new Chapter 19-3400 of The Philadelphia Code authorizing the Board of Revision of Taxes to grant tax deferrals to longtime owner-occupants of certain properties in the City of Philadelphia.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 19-3400 is hereby added to The Philadelphia Code to read as follows:

CHAPTER 19-3400. TAX DEFERRALS FOR LONGTIME OWNER-OCCUPANTS OF RESIDENTIAL PROPERTIES.

§19-3410. Declaration of Policy.

The Council of the City of Philadelphia has determined that:

1. Numerous long-established residential areas and areas of deteriorated, vacant or abandoned homes and properties located throughout the City of Philadelphia have been targeted for redevelopment by the Neighborhood Transformation Initiative and, as a result, are particularly vulnerable to the process of neighborhood change known as gentrification.

2. Low-income longtime owner-occupants of principal residences throughout the City face the real threat of losing the financial ability to remain in their homes by virtue of the rising market values and consequent property tax assessments which are the hallmarks of a gentrifying neighborhood.

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The Council of the City of Philadelphia therefore deems it to be a matter of sound public policy to provide a Real Property Tax deferral program to relieve the economic burden that gentrification brings to these low-income longtime home owners, thereby enabling them to remain in their homes and neighborhoods.

§19-3420. Definitions.

“Longtime owner-occupant.” Any person who for at least ten continuous years has owned and has occupied the same dwelling as a principal residence and domicile within the City of Philadelphia, or any person who for at least five years has owned or occupied the same dwelling as a principal residence and domicile within the City of Philadelphia if that person received assistance in the acquisition of the property as part of a government or nonprofit housing program.

“Low-income longtime owner-occupant.” A longtime owner-occupant having an annual income of not more than eighty percent (80%) of the median income for the Standard Metropolitan Statistical Area of Philadelphia for a family of similar size, as determined under the Housing and Community Development Act of 1974, as amended.

“Principal residence.” The dwelling place of a person, including the principal house and lot, and such lots as are used in connection therewith which contribute to its enjoyment, comfort and convenience. For purposes of this Chapter, the term may also include a building with a maximum of one commercial establishment and a maximum of three residential units of which one residential unit must be the principal residence of the longtime owner-occupant.

§19-3430. Eligibility For Deferral Of Real Property Taxes.

Any deferral of payment of an increase in real property taxes granted pursuant to this Chapter shall be limited to real property which meets all of the following conditions:

- (a) The property is owned and occupied by a low-income longtime owner-occupant.*
- (b) The property is the principal residence and domicile of the low-income longtime owner-occupant.*
- (c) The property is located in an eligible long-established residential area or area of deteriorated, vacant or abandoned homes and properties as defined by Section 19-3440 of this Chapter.*

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(d) The market value of the real property has increased in whole or in part as a consequence of the refurbishing or renovating of other residences or the construction of new residences in the area surrounding the property.

§19-3440. Eligible Areas.

Low-income longtime owner-occupants of principal residences located within any established residential area or area of deteriorated, vacant or abandoned homes and properties in the City of Philadelphia, shall be deemed eligible, if qualified under Section 19-3430 hereof, for benefits under this Chapter.

§19-3450. Benefit Determinations.

(a) The City shall provide a program of Real Property Tax deferrals which shall grant low-income longtime owner-occupants who reside in the City a deferral in the payment of that portion of an increase in their property tax obligation which is attributable to an increase in the market value of property arising from the refurbishing or renovating of other residences or the construction of new residences in the area surrounding the property. Any increase in the market value of real estate which exceeds ten (10) percent from the previously established market value and which is not attributable to the physical improvement of the subject property, shall be considered to be attributable to the refurbishing or renovating of other residences or the construction of new residences.

(b) Penalties and interest. No penalties and interest shall accrue on the portion of the deferral pursuant to this Chapter.

(c) Any resident of the City who meets the criteria set forth in Sections 19-3430 and 19-3440 and who wishes to participate in the program must apply to the Board of Revision of Taxes for certification as a participant in the program. The Board of Revision of Taxes shall solicit applications for the program through notices sent to every owner of real property located within the eligible areas as set forth in Section 19-3440 at least once per year. Such notices shall accompany every invoice sent to property owners of records relating to property tax assessments on properties located within an eligible area.

(d) The Board of Revision of Taxes shall promulgate such rules, regulations, schedules or procedures as it deems necessary for the submission and establishment of proof of the eligibility of the taxpayer for the real property tax deferral provisions of this Chapter, including but not limited to, rules and regulations to establish forms and/or procedures:

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- 1. to make application for deferral of real property taxes; and*
- 2. to obtain recognition as a low-income longtime owner-occupant.*
- 3. to calculate the amount of deferral of real property taxes to which a taxpayer is entitled.*

(e) The Board of Revision of Taxes shall approve or deny the application in whole or in part, and in approving the same, shall determine the deferral amount to which the longtime owner-occupant is entitled. The Board may also deny the application for lack of complete documentation with leave to the low-income longtime owner-occupant to re-file within a stated period of time.

(f) Nothing in this Chapter shall be construed as a limitation on the eligibility and/or the amount of any special tax provisions of any longtime owner-occupant who qualifies for the special tax provisions established in Chapter 19-2900 entitled "Senior Citizen Low Income Special Tax Provisions".

§19-3460 Prohibited Conduct: Penalties and Additions.

No taxpayer shall intentionally make any false statement when making application for eligibility to receive a deferral of real property taxes. If it is determined that a taxpayer made application for the real property tax deferral program on the basis of a false statement the eligibility for the deferral provisions is null and void and the applicant shall be required to pay the City outstanding tax liability and any additions, interest or penalties computed as if the taxpayer had never been granted any deferral.

§19-3470. Review by Tax Review Board.

The Tax Review Board is authorized to review any adverse final decision or determination of the Board of Revision of Taxes relating to a taxpayer's initial and continued eligibility for the real property tax deferral program as provided herein, in like manner and with the same effect as a petition for review, as provided in Chapter 19-1700.

SECTION 2. This Ordinance shall be effective upon the enactment by the Pennsylvania General Assembly of authorizing legislation.

Explanation:

[Brackets] indicate matter deleted.

Italics indicate new matter added.

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