

City of Philadelphia



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

(Resolution No. 041010)

RESOLUTION

Authorizing the Committee on Finance to hold hearings on the City's tax delinquency collection program.

WHEREAS, The City in 1997 entered into a \$75.5 million dollar short term tax-lien securitization deal in which the city sells its liens on properties that were extremely delinquent on taxes and which issues debt backed by the collections on those past-due taxes. If the taxes are not paid, the properties can be foreclosed to raise money to repay bondholders; and

WHEREAS, These taxable bonds were the obligations of the Philadelphia Authority for Industrial Development (PAID), the issuing entity, and not of the city; and

WHEREAS, The MBIA Insurance Corp., the original insurer of the debt, became the owner of these liens after PAID defaulted on the bonds this year; and

WHEREAS, It is the understanding of this Council that the law firm of Linebarger Goggan Blair and Sampson, LLP was contracted to collect on these liens during the life of the bonds; and

WHEREAS, Ever since the default of this debt, Linebarger Goggan Blair and Sampson, LLP was somehow given the opportunity to begin collection efforts on behalf of the city for its real estate taxes, both delinquent and past due accounts; and

WHEREAS, The law firm of Linebarger Goggan Blair & Sampson LLP is an Austin, Texas law firm that specializes in collecting overdue taxes, fees and fines for government agencies with approximately 1,000 employees around the country; and

WHEREAS, This firm represents approximately 1,600 government agencies with offices in Pennsylvania, California, Texas, Illinois, Tennessee, Florida and Louisiana; and

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WHEREAS, This Council finds that despite the qualifications of this firm, there is a failure in communication between the firm's collections efforts and the citizens of this city; now therefore

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That the Committee on Finance hold hearings on the City's tax delinquency collection program.

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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 eighteenth of November, 2004.

Anna C. Verna
PRESIDENT OF THE COUNCIL

Patricia Rafferty
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmembers Blackwell, Tasco, Miller, Mariano, Rizzo and DiCicco

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