

City of Philadelphia



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

(Resolution No. 150222)

RESOLUTION

Calling for City Council to hold hearings to examine the City of Philadelphia's process and methods for assessing vacant lots and land generally, and to evaluate whether any improvements are needed to increase the accuracy of those valuations to avoid losing crucial revenue.

WHEREAS, The City of Philadelphia has recently implemented a citywide reassessment effort, known as the Actual Value Initiative (AVI), with new assessments having gone into effect as of January 2014; and

WHEREAS, In 2013, Isaiah Thompson of AxisPhilly reported that a review of 436 sales of property listed by the Office of Property Assessment as "vacant" showed that forty percent (40%) of properties transferred between 2008 and 2012 were sold for more than twice the value assessed under AVI and that seventeen percent (17%) sold for more than four times the AVI value; and

WHEREAS, Assessments of properties with structures include values for both the structure and the underlying land, with properties that have been awarded ten-year abatements still being responsible for payment of property tax on the land portion of their assessments during the abatement period; and

WHEREAS, City officials have maintained that valuation of vacant land is more complex than that of buildings, with Pennsylvania state law additionally requiring the use of multiple factors in addition to market value; and

WHEREAS, Any significant undervaluation of vacant land would undermine efforts to restore tens of thousands of vacant properties and facilitates the indefinite holding of many such properties by speculators; and

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WHEREAS, Undervaluing vacant land also would undermine efforts to stabilize the Philadelphia School District, which is currently in the midst of a financial crisis and depends heavily on revenue from property taxes; now, therefore, be it

RESOLVED, THAT THE COUNCIL OF THE CITY OF PHILADELPHIA, Calls for City Council to hold hearings to examine the City of Philadelphia's process and methods for assessing vacant lots and land generally, and to evaluate whether any improvements are needed to increase the accuracy of those valuations to avoid losing crucial revenue.

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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 nineteenth day of March, 2015.

Darrell L. Clarke
PRESIDENT OF THE COUNCIL

Michael A. Decker
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmembers Henon and Quiñones Sánchez

Sponsored by: Councilmember Henon, Quiñones Sánchez and Bass