

Legislation Details (With Text)

File #: 130531-A **Version:** 2 **Name:**

Type: Bill **Status:** ENACTED

File created: 6/13/2013 **In control:** Committee on Finance

On agenda: **Final action:** 10/24/2013

Title: Amending Chapter 19-1300 of The Philadelphia Code, entitled "Real Estate Taxes," by authorizing the assignment or transfer to third-parties, real estate tax claims either absolutely or as collateral security, for an amount to be determined by the Department, all under certain terms and conditions.

Sponsors: Councilmember Green, Councilmember Oh, Councilmember O'Neill, Councilmember Henon, Councilmember Kenney, Councilmember Squilla

Indexes: REAL ESTATE TAX

Code sections: 19-1300 - Real Estate Taxes

Attachments: 1. CertifiedCopy130531-A02.pdf

Date	Ver.	Action By	Action	Result	Tally
11/13/2013	2	MAYOR	SIGNED		
10/24/2013	2	CITY COUNCIL	READ AND PASSED	Pass	17:0
10/17/2013	1	CITY COUNCIL	READ		
10/17/2013	2	CITY COUNCIL	AMENDED		
10/17/2013	2	CITY COUNCIL	ORDERED PLACED ON FINAL PASSAGE CALENDAR FOR NEXT MEETING.		
10/10/2013	1	CITY COUNCIL	SUSPEND THE RULES OF THE COUNCIL	Pass	
10/10/2013	1	CITY COUNCIL	ORDERED PLACED ON THIS DAY'S FIRST READING CALENDAR		
10/10/2013	1	CITY COUNCIL	ORDERED PLACED ON NEXT WEEK'S SECOND READING CALENDAR		
10/4/2013	0	Committee on Finance	HEARING NOTICES SENT		
10/4/2013	0	Committee on Finance	HEARING HELD		
10/4/2013	0	Committee on Finance	AMENDED		
10/4/2013	1	Committee on Finance	REPORTED FAVORABLY, RULE SUSPENSION REQUESTED		
6/13/2013	0	CITY COUNCIL	Introduced and Referred	Pass	

Amending Chapter 19-1300 of The Philadelphia Code, entitled "Real Estate Taxes," by authorizing the assignment or transfer to third-parties, real estate tax claims either absolutely or as collateral security, for an amount to be determined by the Department, all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 19-1300 of The Philadelphia Code is amended to read as follows:

CHAPTER 19-1300. REAL ESTATE TAXES

* * *

§ 19-1305. Authorization for Installment Payment Agreements, Waiving Additions to Tax and Abating Interest and Penalties Otherwise Due Pursuant to Section 19-1303, and Requiring Commencement of Enforcement Action.

* * *

(4) Prohibited Conduct.

* * *

(e) Commencement of Enforcement Action. In the case of taxpayers who do not enter into a payment agreement or otherwise satisfy outstanding liabilities by December 31 of the first year in which the tax is registered as delinquent, and in the case of taxpayers who default on payment agreements, the Department shall timely take all steps as provided for in the Act of 1923, May 16, P.L. 207, No. 153, § 39.4, as amended, 53 P.S. §§ 7147 and 7193.4, or elsewhere. Pursuant to 53 Pa.C.S. §7147, the Department shall be authorized to assign or transfer to third-parties, real estate tax claims filed or to be filed, for an amount to be determined by the Department. When proceeding under 53 Pa.C.S. §7147 (related to assignments and transfers) the Department shall:

- (1) Not transfer or assign claims valued at less than One Thousand Dollars (\$1,000.00);
- (2) Before assigning or transferring real estate tax claims to other third-parties, grant a right-of-first-refusal to any existing third-party assignee of a real estate tax claim related to the property;
- (3) Require that any attorney or other professional services fees be capped at a rate not to exceed \$200.00 per hour; and
- (4) Require that any expenses including, attorneys' fees, professional services fees and any other fees or charges related to the assignment, transfer, or sale of a given real estate tax claim not exceed \$2,500.00; and
- (5) Require that interest rates charged by lien holders be capped at 10%, pursuant to 53 Pa.C.S. §7143; and that penalty rates be capped at 5%, pursuant to 53 Pa.C.S. §7203; and
- (6) In the case of Homestead Properties, pursuant to §19-1301, require that sheriff sale of the property cannot be initiated by a lien holder until two years have passed from the date of purchase of the lien.

From time to time the Department may by regulation adjust the fees and charges a lien holder may collect and any caps on such fees and charges.

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SECTION 2. This Ordinance shall be effective November 15, 2013.

Explanation:

[Brackets] indicates matter deleted.
Italics indicate new matter added.