

## Legislation Details (With Text)

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**File created:** 4/25/2002      **In control:** Committee on Law and Government

**On agenda:**      **Final action:** 5/16/2002

**Title:** Proposing an amendment to the Philadelphia Home Rule Charter to provide for the creation, appointment, powers and duties of a Philadelphia Tax Reform Commission, and providing for the submission of the amendment to the electors of Philadelphia.

**Sponsors:** Councilmember Nutter, Councilmember Mariano, Councilmember DiCicco, Councilmember Goode, Councilmember Kenney, Councilmember Rizzo, Councilmember Tasco, Councilmember Ortiz, Council President Verna, Councilmember Blackwell, Councilmember Clarke, Councilmember Krajewski, Councilmember O'Neill, Councilmember Reynolds Brown, Councilmember Miller, Councilmember Cohen

**Indexes:**

**Code sections:**

**Attachments:** 1. Resolution No. 02026401.pdf

Date	Ver.	Action By	Action	Result	Tally
5/16/2002	1	CITY COUNCIL	FAVORABLY RECOMMENDED; CONSIDERATION AT END OF CALENDAR		
5/16/2002	1	CITY COUNCIL	ADOPTED		
5/15/2002	0	Committee on Law and Government	HEARING NOTICES SENT		
5/15/2002	0	Committee on Law and Government	HEARING HELD		
5/15/2002	0	Committee on Law and Government	AMENDED		
5/15/2002	1	Committee on Law and Government	REPORTED FAVORABLY, RULE SUSPENSION REQUESTED		
4/25/2002	0	CITY COUNCIL	Referred		
4/25/2002	0	CITY COUNCIL	Introduced		Pass

Proposing an amendment to the Philadelphia Home Rule Charter to provide for the creation, appointment, powers and duties of a Philadelphia Tax Reform Commission, and providing for the submission of the amendment to the electors of Philadelphia.

**WHEREAS,** Under Section 6 of the First Class City Home Rule Act (53 P.S. §13106), an amendment to the Philadelphia Home Rule Charter may be proposed by a resolution of the Council of the City of Philadelphia adopted with the concurrence of two-thirds of its elected members; now therefore

**RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA,**

That the following amendment to the Philadelphia Home Rule Charter is hereby proposed and shall be submitted to the electors of the City on an election date designated by ordinance:

ARTICLE III - EXECUTIVE AND ADMINISTRATIVE BRANCH - ORGANIZATION

CHAPTER 1  
OFFICERS, DEPARTMENTS, BOARDS,  
COMMISSIONS AND OTHER AGENCIES

Section 3-100. Executive and Administrative Officers, Departments, Boards, Commissions and Agencies Designated. The executive and administrative work of the City shall be performed by:

\* \* \*

(e) The following independent boards and commissions, which, except for the Board of Trustees of the Free Library of Philadelphia, are hereby created:

City Planning Commission;

Commission on Human Relations;

Board of Trustees of the Free Library of Philadelphia;

Board of Pensions and Retirement;

Civil Service Commission;

*Philadelphia Tax Reform Commission and its Advisory Committee.*

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CHAPTER 8  
INDEPENDENT BOARDS  
AND COMMISSIONS

\* \* \*

SECTION 3-805. *Philadelphia Tax Reform Commission and Advisory Committee. The Philadelphia Tax Reform Commission shall be composed of fifteen members, appointed as follows:*

(a) *Four members shall be appointed by the Mayor;*

(b) *Four members shall be appointed by the Council President;*

(c) *One member shall be appointed by the City Controller;*

(d) *One member shall be appointed by each of the following: the President of the African-American Chamber of Commerce, the President of the Greater Philadelphia Chamber of Commerce, the Chief Executive Officer of Greater Philadelphia First, the President of the Greater Northeast Chamber of Commerce, the President of the Hispanic Chamber of Commerce, and the Executive Director of the North Philadelphia Chamber of Commerce.*

(e) *The Commission's Advisory Committee shall consist of twenty-three members. One member of the Advisory Committee shall be appointed by each of the following: the Director of Action Alliance of Senior Citizens of Greater Philadelphia, the Director of Asian-Americans United, the Director of Community Legal Services, the President of the Board of the Consumer Education & Protective Association, the Director of the Keystone Research Center, the President of the National Congress of Puerto Rican Rights, the Director of the Parents' Union, the Director of Philadelphia NOW (National Organization for Women), the Director of the Philadelphia Unemployment Project, the Director of the Tenant Action Group, the President of the Federal Reserve Bank of Philadelphia, the Dean of the Fox School of Business and Management of Temple University, the President of the Greater Philadelphia Association of Realtors, the President of the Institute for the Study of Civic Values, the President of the NAACP Philadelphia Chapter, the Executive Director of the Pennsylvania Economy League Eastern Division, the President of the Pennsylvania Institute of Certified Public Accountants Greater Philadelphia Chapter, the President of the Philadelphia Bar Association, the Business Manager of the Philadelphia Building and Construction Trades Council, the President of the Philadelphia Council AFL-CIO, the President of the Urban League of Philadelphia, the Executive Director of the West Philadelphia Partnership, and the Dean of the Wharton School of the University of Pennsylvania. If any of those organizations ceases to exist or refuses to make an appointment, the members of the Commission shall by a majority vote designate an organization of a similar nature to make an appointment.*

(f) *All appointments to the Commission and its Advisory Committee shall be made within thirty*

*days after the Commission is first created.*

*(g) No member of the Commission, while serving as a member, shall seek or hold a position as an elected public official within the Commonwealth, or as an officer of a political party.*

*(h) Vacancies on the Commission and its Advisory Committee shall be filled by the appointing authority who originally appointed the member whose seat has become vacant.*

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ARTICLE IV  
EXECUTIVE AND ADMINISTRATIVE  
BRANCH POWERS AND DUTIES

The Mayor, The City Representative and  
Departments, Boards and Commissions under the Mayor

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CHAPTER 9  
PHILADELPHIA TAX REFORM COMMISSION

*SECTION 4-900. Powers and Duties.*

*(a) Within sixty days after its creation, the Philadelphia Tax Reform Commission shall convene its first meeting in the City Council chambers and thereafter the Commission shall meet at least monthly at such times and at such places as determined by the Commission. Members of the Advisory Committee shall be provided notice of all meetings of the Commission in the same manner as notice is provided to members of the Commission, and shall be permitted to attend all such meetings. The purpose of the Commission is to conduct a comprehensive analysis of and make recommendations regarding reforms to the tax structure and all taxes imposed in Philadelphia and the tax structure of the Commonwealth of Pennsylvania which affects Philadelphia and all counties in Pennsylvania, including but not limited to the wage tax, the business privilege tax, the net profits tax, the gross receipts tax, the amusement tax, the use and occupancy tax, the real property tax, the school income tax, the real estate transfer tax, the liquor-by-the-drink tax, the parking tax, the Philadelphia sales tax, the hotel bed tax and any other taxes imposed by the City and by the School District, as*

*well as real estate tax abatements, tax increment finance districts, Empowerment Zones, Keystone Opportunity Zones, and any other programs that use tax abatements or exemptions as economic development tools. The Commission shall also examine all laws of the Commonwealth of Pennsylvania that authorize or limit the ability of the City to impose taxes. The Commission shall analyze each tax to determine why it is imposed, how much revenue the tax generates, the impact of the tax on businesses or residents and the Philadelphia economy, whether it may be eliminated or consolidated with another tax or otherwise simplified, and whether and to what extent the rate of the tax may be decreased in a fiscally and socially responsible manner. The Commission shall also compare and contrast the tax structure in Philadelphia to the tax structures in jurisdictions that have experienced growth in residents and businesses, using accepted models of economic analysis. The Commission's work shall be guided by the principle that Philadelphia's tax structure should enhance and improve Philadelphia's ability to compete with other jurisdictions in the region and throughout the nation in attracting new residents, businesses and jobs and retaining current residents, businesses and jobs. The Commission's work shall also be guided by the principle of tax fairness and tax equity in apportioning tax burdens. The Commission shall, subject to the availability of appropriations, appoint and fix the compensation of an executive director and such other staff as may be required for the proper conduct of its work (provided that the appointment of an executive director shall require a vote of two-thirds of all the members of the Commission), and it shall invite the participation of any staff or Board members of each of the organizations that appoint members to either the Commission or the Advisory Committee as set forth in subsections 3-805(d) and (e), as well as utilize any available resources, studies or reports of any such organization. The Commission may also, subject to the availability of appropriations, retain as consultants any other organization or individual with regionally or nationally recognized expertise in local tax policy or municipal finance. The Commission's Advisory Committee shall provide technical, economic and public policy advice to the Commission. All departments, boards, commissions and other City agencies shall cooperate fully with the Commission in the performance of its duties and responsibilities and shall provide any and all documents, data,*

*analyses or other information related to revenues, taxes, or tax policy requested by the Commission, except documents the nondisclosure of which is legally privileged or which have been prepared for or by the Law Department for use in actions or proceedings to which the City is or may be a party, and provided that the Commission shall maintain the confidentiality of any documents, data, analyses or other related information upon the written request by any City agency that the material being provided to the Commission be treated as confidential. The Commission shall hold at least two public hearings in the Council chambers to receive testimony from the public concerning tax reform.*

*(b) On November 15, 2003, the Commission shall by a vote of two-thirds of all members of the Commission adopt a written report containing specific recommendations solely related to proposed changes to the Philadelphia tax structure in order to decrease the overall tax burden of Philadelphia residents, individuals who work in Philadelphia, and Philadelphia businesses. The Commission shall also consider recommendations made by the Advisory Committee in the development of its report. The Commission shall also make recommendations related to state-wide tax reform, including public education funding, that will enhance and improve the overall tax structures in Philadelphia and all other counties in the Commonwealth of Pennsylvania. The Commission shall not make any recommendations related to any expenditure reductions, municipal government cost savings, or municipal government service reductions to offset any potential revenue reductions which may result from the implementation of any recommendations set forth in the Commission's report. The Commission shall provide copies of its report to the Mayor, each member of Council and the Clerk of Council, to each of the Commission's appointing authorities, and to each member of the Advisory Committee, and the Commission shall see to it that copies are provided to all public libraries in the City and that a copy is posted on the City's official Internet site. The Commission shall also provide copies of its report to the Governor, the President Pro Tempore of the Senate, the Majority Leader of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives, the Majority Leader of the House of Representatives, and the Minority Leader of the House of Representatives. For each recommendation that requires action by the*

*Council or the General Assembly, the report shall include a proposed ordinance or bill implementing the recommendation with a fiscal impact statement and an econometric analysis of the projected revenue change, if any, resulting from such recommendation. The Commission shall also publish and distribute with its report any minority report adopted by three or more members of the Commission.*

*(c) After issuing its report, the Commission shall thereafter be reconvened only as directed by a resolution of the Council adopted by a two-thirds vote of all the members of the Council, provided that the Commission shall not be reconvened until at least five years have elapsed since the date the Commission adopted its last report. Within sixty days after adoption of such a resolution, new members of the Commission and its Advisory Committee shall be appointed in accordance with the appointment process set forth in Section 3-805, provided that any former member of the Commission or the Advisory Committee may be reappointed as a member of the Commission or Advisory Committee.*

*(d) Nothing in this Section shall be construed to prevent any member of Council or the Mayor from proposing, enacting, or approving at any time any bill relating to taxes or tax reform.*

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**Explanation:**

*Italics indicate new matter added.*