

Legislation Text

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Proposing an amendment to The Philadelphia Home Rule Charter to establish City Council oversight regarding increased real property assessments; and providing for the submission of the proposed amendment to the electors of Philadelphia.

WHEREAS, The Philadelphia Home Rule Charter requires the annual operating budget to be balanced; and

WHEREAS, The Real Estate Tax is a major source of revenue for the City of Philadelphia; and

WHEREAS, Real Estate Tax revenue can be increased through a City Council approved change in tax rate or an increase in real property assessments; and

WHEREAS, Following a multi-year pause, the Office of Property Assessment conducted a citywide reassessment of properties in 2022. The reassessment of the more than 400,000 single-family properties resulted in an average increase of 31 percent; and

WHEREAS, The average assessed value in some zip codes - primarily in gentrifying, lower-income neighbors - increased an average of 70-95 percent; and

WHEREAS, The inconsistent and unexplainable assessments continue to raise doubts about the Office of Property Assessment's methodology; an independent audit authorized by City Council found assessments to be below industry standards; and

WHEREAS, There should be checks and balances in place to protect homeowners from inaccurate assessments; and

WHEREAS, Pennsylvania State Law mandates that real property assessments be based on the "actual value thereof" to accomplish "equalization with other similar properties within the taxing district" considering three methods: cost of reproduction or replacement; comparable sales; and income; approaches considered in conjunction with one another; and

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, be it

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 of Philadelphia on an election date designated by ordinance:

ARTICLE VIII PROVISIONS OF GENERAL APPLICATION

CHAPTER 1
FISCAL AND BUDGETARY MATTERS

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§ 8-108. *Real property assessments.*

(1) *The Office of Property Assessment (OPA) shall make all assessments of real property on the basis of the actual value of individual properties. In making such assessments, the Office shall consider, in conjunction with one another, cost, comparable sales, and income approaches; and such assessments shall be determined independent of the need to balance the annual operating budget. The Office shall issue preliminary assessments by no later than eighty (80) days prior to the statutory deadline for final certification.*

(2) *Contemporaneous with OPA's issuance of preliminary assessments, the Director of Finance shall certify whether any percentage annual increase in total preliminary assessments is greater than twice the annual percentage increase in the most recently reported United States Bureau of Labor Statistics' Consumer Price Index-All Urban Consumers (CPI-U).*

(3) *No later than fifteen (15) days after the certification of an increase greater than twice the increase in the CPI-U, the Council may select a reputable third-party auditor to evaluate and report to Council whether such overall preliminary annual assessments more closely meet the standards set forth in paragraph (1), above, than did the previous year's final assessments. Within forty-five (45) calendar days of the selection of such a third-party auditor, the auditor shall issue a report of its findings.*

(4) *Within fifteen (15) calendar days of the receipt of the auditor's report, if Council determines, based on the auditor's report and any other information that Council may consider, that the preliminary assessments do not more closely meet the standards set forth in paragraph (1), above, than did the previous year's final assessments, Council may reject the overall annual assessments, and the OPA shall certify the previous year's assessments as the current year's assessments.*

(5) *Council may, by ordinance, revise the deadlines set forth herein, but in no instance may Council reject the overall annual assessments later than five (5) days prior to the statutory deadline for certification of assessments.*

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Explanation:

[Brackets] indicate matter deleted.

Italics indicate matter added.