

Legislation Text

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Authorizing City Council's Committee of the Whole to hold public hearings to examine the City's efforts to collect delinquent real estate taxes owed by owners of residential investment properties and the additional measures and resources required to reduce real estate tax delinquency.

WHEREAS, It is essential that Philadelphia taxpayers have faith in the fairness of the City's tax collection process and trust that the City diligently pursues all possible avenues to collect delinquent real estate taxes; and

WHEREAS, Reports of cumulative unpaid taxes from prior years indicate that substantial unpaid amounts remain uncollected, engendering public distrust in the overall fairness of the tax collection system; and

WHEREAS, For the purposes of this resolution, a residential investment property is a residential property which is owned by a limited liability company, any other corporate entity or an individual who owns other properties in the City of Philadelphia, has an active Housing Inspection License, or has an offsite mailing address; and

WHEREAS, An examination of Department of Revenue data from 2012 suggests that approximately 50% of tax delinquent residential properties are residential investment properties; and

WHEREAS, The total tax balance owed on residential investment properties accounts for approximately one third of the total outstanding real estate tax debt in the City of Philadelphia; and

WHEREAS, Philadelphia should foster an environment which encourages investment in residential properties in order to support local economies, revitalize neighborhoods and commercial corridors, and provide alternatives to homeownership while ensuring that property owners pay taxes for every property they own; and

WHEREAS, City Council must ensure that all individuals who own residential investment properties have access to payment arrangements and that the terms and details of those arrangements are fair, transparent and reasonable, while balancing the City's need to collect delinquent real estate taxes; and

WHEREAS, The tools and processes used to collect delinquent real estate taxes from owners of residential investment properties may be different than those used for other types of delinquent accounts; and

WHEREAS, On February 4, 2013 the City of Philadelphia announced that new delinquent tax collection strategies will be employed to increase collection rates and improve taxpayer confidence in the collections processes; and

WHEREAS, City Council should fully understand changes to the processes, procedures and policies employed by the City to collect delinquent taxes, specifically delinquent real estate taxes; and

WHEREAS, City Council is committed to engaging the Administration in a productive conversation aimed at reducing real estate tax delinquency in the City of Philadelphia; now therefore,

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That the Committee of the Whole is authorized to hold public hearings to examine the City's effort to collect delinquent real estate taxes owed by owners of residential investment properties and the additional measures and resources required to reduce real estate tax delinquency.

FURTHER RESOLVED, That in furtherance of such an investigation, the Committee is hereby authorized to issue subpoenas as may be necessary or appropriate to compel the attendance of witnesses and the production of documents to the full extent authorized under Section 2-401 of The Philadelphia Home Rule Charter.