Legislation Details (With Text)

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On agenda:			**Final action:**	12/12/2019	

Title: Amending Chapter 19-1300 of The Philadelphia Code, entitled "Real Estate Taxes," by modifying the duration and/or amount of certain tax abatements, and by providing for periodic evaluation of the abatements authorized by Sections 19-1303(2), 19-1303(3) and 19-1303(4), all under certain terms and conditions.

Sponsors: Council President Clarke, Councilmember Bass, Councilmember Domb, Councilmember Reynolds Brown, Councilmember Jones, Councilmember Gym, Councilmember Parker, Councilmember Taubenberger, Councilmember Henon, Councilmember Johnson, Councilmember Squilla, Councilmember Oh, Councilmember Quiñones Sánchez, Councilmember Blackwell, Councilmember Greenlee

Indexes: REAL ESTATE TAX

Code sections: 19-1300 - Real Estate Taxes, 19-1302 - Installment Payments, 19-1303(2) - Authorization to Offer Exemption from Real Estate Taxes on Improvements to Residential Properties, 19-1303(3) - Authorization to Offer Exemptions from Real Estate Taxes on Improvements to Deteriorated Industrial, Commercial or Other Business Properties, 19-1303(4) - Authorization to Offer Exemption from Real Estate Taxes on New Construction of Residential Properties

Attachments: 1. Bill No. 190944-A01, As Amended on Floor.pdf, 2. CertifiedCopy190944-A01

Date	Ver.	Action By	Action	Result	Tally
12/30/2019	1	MAYOR	SIGNED		
12/12/2019	0	CITY COUNCIL	READ AND PASSED	Pass	17:0
12/5/2019	0	CITY COUNCIL			
12/5/2019	0	CITY COUNCIL			
12/5/2019	0	CITY COUNCIL			
12/5/2019	1	CITY COUNCIL			
12/5/2019	1	CITY COUNCIL			
12/3/2019	0	Committee of the Whole			
12/3/2019	0	Committee of the Whole			
12/3/2019	0	Committee of the Whole			
11/21/2019	0	CITY COUNCIL			

Amending Chapter 19-1300 of The Philadelphia Code, entitled "Real Estate Taxes," by modifying the duration and/or amount of certain tax abatements, and by providing for periodic evaluation of the abatements authorized by Sections 19-1303(2), 19-1303(3) and 19-1303(4), 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 hereby amended as follows:

CHAPTER 19-1300. REAL ESTATE TAXES

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* * *

§ 19-1303(2). Authorization to Offer Exemption from Real Estate Taxes on Improvements to Residential Properties.

* * *

C. Definitions.

(1) In this Section the following definitions shall apply:

* * *

(c) Improvements shall be any repairs, constructions, or reconstruction, including additions and alterations, which have the effect of rehabilitating a structure so that it becomes habitable or attains a higher degree of housing safety, health or amenity, or is brought into compliance with the laws, ordinances, or regulations of the City of Philadelphia. Ordinary upkeep and maintenance*, or the building or erection of new dwelling units upon vacant land,* shall not be deemed an improvement.

* * *

§ 19-1303(4). Authorization to Offer Exemption from Real Estate Taxes on New Construction of Residential Properties.

* * *

D. Exemption Amount.

(1) The exemption from real estate taxes shall be limited to that portion of the assessment valuation attributable to the cost of construction of the new eligible dwelling unit.

(2) The exemption from real estate taxes shall be limited to that construction for which an exemption has been requested in the manner set forth below, and for which a separate assessment has been made by the Board of Revision of Taxes.

E. Exemption Schedule.

(1) *With respect to applications for exemption initially applied for on or before December 31, 2020,* [One] *one* hundred percent of the assessable amount of the construction costs shall be exempted from real estate taxes for a period of ten years immediately following the date on which settlement is made, and a required certificate of use and occupancy is issued on an eligible dwelling unit. After the tenth year, the exemption shall terminate.

(2) With respect to applications for exemption initially applied for after December 31, 2020, the assessable amount of the construction costs shall be exempted from real estate taxes for a period of ten years immediately following the date on which settlement is made, and a required certificate of use and occupancy is issued on an eligible dwelling unit, as follows: one hundred percent (100%) of the assessable amount of the construction costs shall be exempted in the first year; ninety percent (90%) in the second year;

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eighty percent (80%) in the third year; seventy percent (70%) in the fourth year; sixty percent (60%) in the fifth year; fifty percent (50%) in the sixth year; forty percent (40%) in the seventh year; thirty percent (30%) in the eighth year; twenty percent (20%) in the ninth year; and ten percent (10%) in the tenth year. After the tenth year, the exemption shall terminate.

* * *

[I. Effective Date.

(1) The provisions of this Section shall apply to applications for exemptions initially applied for on or after July 1, 1990.] *Reserved.*

* * *

K. Periodic Evaluation Requirement. At least once every three years, beginning with the year 2024, the Council shall, by separate ordinance, select an independent expert to evaluate the specific impact on the real estate market of the modification made by subsection 19-1303(4)(E)(2) to the exemption authorized by § 19-1303(4). The expert shall also comprehensively evaluate the overall impact of the exemptions for commercial and residential construction authorized by §§ 19-1303(2), 19-1303(3) and 19-1303(4), and shall submit recommendations for any modifications to those exemptions. The expert engaged for this purpose shall be selected pursuant to the procedure set forth in Chapter 17-1400 for the awarding of non-competitively bid contracts. Final copies of the report shall be provided to the Mayor, each member of Council, and to the Clerk of Council, who shall see to it that a copy is posted on the City's official internet site.

Explanation:
[Brackets] indicate matter deleted.
Italics indicate new matter added.

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