

Legislation Text

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Authorizing City Council's Committee of the Whole to hold public hearings on the procedures that the City currently employs and proposes to employ to collect delinquent commercial real estate taxes owed the City and School District, the effectiveness or shortcomings of existing and proposed procedures, and the additional measures and resources required to improve the system for collecting delinquent real estate taxes.

WHEREAS, Reports of unpaid taxes from prior years, indicate that 5 % of commercial properties in the City are tax delinquent and account for 15% of the outstanding tax debt leaving substantial unpaid amounts uncollected; and

WHEREAS, City Council members want to ensure that all constituents have access to payment arrangements and that the terms and details of those arrangements are fair, transparent and reasonable, while also balancing the City's need to collect delinquent real estate taxes; and

WHEREAS, The tools and processes used to collect delinquent real estate taxes on commercial 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, In anticipation of the forthcoming proposed Operating Budget for FY2014 and the City's move to property assessments based on actual values (known as the Actual Value Initiative), it is critically important for Council and the public to understand clearly the tax collection procedures that are currently in place and any proposed changes to the City's collection strategies, particularly as they relate to commercial real estate taxes; and

WHEREAS, Changes to the processes, procedures and policies employed by the City to collect delinquent taxes, specifically delinquent real estate taxes, should be fully reviewed and vetted and shared with the Members of City Council; and

WHEREAS, City Council is committed to engaging the Administration in a productive conversation aimed at how Philadelphia can improve it's technology, staff and training to increase the quality of data, the transparency of it's processes, and it's customer service; incorporate national best practices into comprehensive legislation and regulations; and reach levels of funding necessary to achieve increased tax collection rates; now therefore be it

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That the Committee of the Whole is authorized to hold hearings to explore the real and perceived impacts of real estate delinquency on the City of Philadelphia, the impact of our failure to collect delinquent tax on the attitude and faith of taxpayers in the fairness and equity of the tax collection systems and processes; and the extent to which the collection rate can be actually be increased.

FURTHER RESOLVED, That the Committee of the Whole is authorized to hold hearings to investigate the procedures that the City currently employs and proposes to employ to collect delinquent real estate taxes, the effectiveness or shortcomings of those procedures, the additional measures and resources required to improve the system for collecting these delinquent real estate taxes, and the practices and procedures of municipalities that are more effective at collecting delinquent real estate taxes.