



## Legislation Text

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Authorizing City Council to hold public hearings on the state of collections of licenses and permit fees and delinquent real estate taxes owed the City and School District of Philadelphia.

WHEREAS, For decades, Philadelphia has been ranked amongst the worst performing large cities in America for our efforts in collecting delinquent real estate taxes and in 2011 was ranked 24th out of 25 in poor collection results; and

WHEREAS, It is estimated that delinquent payments of taxes and other fees due to the City are in the hundreds of millions of dollars; and

WHEREAS, In 2008, The Revenue Department commissioned a survey of "Best Practices" used by 25 large cities across the United States in an effort to understand other methodologies and tactics that could be employed to increase our success of collecting delinquent real estate taxes; and

WHEREAS, In February 2013, a series of Resolutions were introduced and passed by City Council calling for subsequent public hearings to investigate the processes and procedures used by the City in collecting delinquent real estate taxes; and

WHEREAS, In April 2013, Mayor Nutter appointed Philadelphia's first Chief Revenue Collections Officer in an effort to better collect the hundreds of thousands of dollars owed to the City in the form of delinquent taxes and fees for licenses and permits; and

WHEREAS, After the establishment of a framework for more efficient collection of taxes and various fees, no measurable results or accomplishments have been reported as of yet; and

WHEREAS, In May 2013, the Revenue Department issued a Request for Proposals (RFP) number 21130522143058 to establish a "state of the art tax delinquency data warehouse and case management system" which has yet to be awarded as of January 2014; and

WHEREAS, In January 2014, the Office of City Controller released an audit showing fiscal years 2009 through 2012 banks returned 13,000 bad checks that were given to the City for payment of taxes and fees for licenses and permits totaling \$14 million that was never subsequently pursued for payment; and

WHEREAS, In anticipation of the upcoming proposed Operating Budget for FY 2015, it is important for City Council and the public to clearly understand the procedures that are currently in place for the collection of taxes and fees for licenses and permits as well as measures for cross-departmental accountability to avoid future instances of tax delinquency and recovery of funds from bad checks; now, therefore, be it

RESOLVED, BY THE COUNCIL OF CITY OF PHILADELPHIA, That it hereby authorizes City Council to hold public hearings on the state of collections of license and permit fees and delinquent real estate taxes owed the City and School District of Philadelphia.

