

Legislation Text

File #: 150265, **Version:** 0

Amending Chapter 19-1300 of The Philadelphia Code, entitled “Real Estate Taxes,” by authorizing, for the benefit of the School District of Philadelphia, the assignment or transfer of real estate tax liens on commercial property either absolutely or as collateral security, for an amount to be determined by the Department; and removing certain restrictions on the assignment or transfer of real estate tax liens on commercial property, 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 amended to read as follows:

CHAPTER 19-1300. REAL ESTATE TAXES.

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§ 19-1305. Authorization for Installment Payment Agreements, Waiving Additions to Tax and Abating Interest and Penalties Otherwise Due Pursuant to Section 19-1303, and Requiring Commencement of Enforcement Action.

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(4) Prohibited Conduct.

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(e) Commencement of Enforcement Action. In the case of taxpayers who do not enter into a payment agreement or otherwise satisfy outstanding liabilities by December 31 of the first year in which the tax is registered as delinquent, and in the case of taxpayers who default on payment agreements, the Department shall timely take all steps as provided for in the Act of 1923, May 16, P.L. 207, No. 153, § 39.4, as amended, 53 P.S. §§ 7147 and 7193.4, or elsewhere. Pursuant to 53 Pa.C.S. §7147, the Department shall be authorized to assign or transfer to third-parties, real estate tax claims filed or to be filed, for an amount to be determined by the Department. When proceeding under 53 Pa.C.S. §7147 (related to assignments and transfers) the Department shall:

(1) Not transfer or assign claims valued at less than One Thousand Dollars (\$1,000.00);

(2) Before assigning or transferring real estate tax claims to other third-parties, grant a right-of-first-refusal to any existing third-party assignee of a real estate tax claim related to the property;

(3) Require that any attorney or other professional services fees be capped at a rate not to exceed \$200.00 per hour; and

(4) Require that any expenses including, attorneys' fees, professional services fees and any other fees or charges related to the assignment, transfer, or sale of a given real estate tax claim not exceed \$2,500.00; and

(5) Require that interest rates charged by lien holders be capped at 10%, pursuant to 53 Pa.C.S. §7143; and that penalty rates be capped at 5%, pursuant to 53 Pa.C.S. §7203; and

(6) In the case of Homestead Properties, pursuant to §19-1301, require that sheriff sale of the property cannot be initiated by a lien holder until two years have passed from the date of purchase of the lien.

(7) Except for subsections (4)(e)(2) and (5) above, the restrictions in subsection (4)(e) shall not apply to the assignment or transfer of tax liens on commercial property.

From time to time the Department may by regulation adjust the fees and charges a lien holder may collect and any caps on such fees and charges.

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SECTION 2. This Ordinance shall be effective immediately.

Explanation:

[Brackets] indicates matter deleted.

Italics indicate new matter added.