



Legislation Text

File #: 181103, Version: 1

Amending Chapter 19-3900 of The Philadelphia Code, entitled “Tax Exemptions for Longtime Owner-Occupants of Residential Properties,” to revise the standards for eligibility and the benefit determination, under certain terms and conditions.

SECTION 1. Chapter 19-3900 of The Philadelphia Code is hereby amended to read as follows:

CHAPTER 19-3900. TAX EXEMPTIONS FOR LONGTIME OWNER-OCCUPANTS OF RESIDENTIAL PROPERTIES.

§ 19-3901. Declaration of Policy.

The Council of the City of Philadelphia has determined that:

* * *

4. Beginning with assessments performed in calendar year 2018 for tax year 2019, because of changes in market conditions, properties that experience a fifty percent (50%) or greater increase in certified market value, from one year to the next, are deemed to have experienced an increase in market value as a consequence of the refurbishing or renovating of other residences or the construction of new residences in the area surrounding the property.

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§ 19-3903. Eligibility for Exemption of Real Property Taxes.

(1) Real property shall be eligible for the exemptions provided for under this Chapter if it meets all of the following conditions:

* * *

(e) *(.1) For applications filed in or before calendar year 2018: The property has not previously received an abatement of taxes under § 19-1303(2), § 19-1303(3), § 19-1303(4) or § 19-1303(5). For applications filed in or after calendar year 2019: The property has not received an abatement of taxes under § 19-1303(2), § 19-1303(3), § 19-1303(4) or § 19-1303(5) during the time in which the property was owned by the current owner or, where the owner qualifies as an owner under § 19-3903(3)(d) or (e), during the time in which the property was owned by the spouse, life partner, parent, stepparent, child, brother, sister, aunt, uncle, grandparent or step-grandparent from whom the current owner acquired the property.*

(.2) This condition of eligibility shall not apply to a property the owner of which received or benefitted from assistance provided in connection with the acquisition of the property as part of a government or nonprofit subsidized low or moderate income housing program.

* * *

(g) Where the owner is not the owner of record, the owner makes a good faith effort to obtain record title within three years of applying for the exemption provided for by this Chapter 19-3900. Upon a determination that the owner has not made the required good faith effort, the OPA may notify the owner in writing that the exemption is being revoked; provided that, the OPA shall not revoke an exemption unless the OPA had previously notified the owner in writing of this obligation at the time of the owner's application or thereafter, and at least three years prior to the revocation.

* * *

§ 19-3905. Benefit Determinations.

(1) For purposes of calculating City and School District real estate taxes, upon application pursuant to subsection (2), [below, if] *below*:

(a) If the certified market value of an eligible property for any tax year through and including 2018, minus any homestead exclusion, is more than three times the certified market value of such property for the immediately preceding tax year, then the certified market value of such property for such tax year shall be deemed to equal three times the certified market value of such property for the immediately preceding tax year, and no further homestead exclusion shall be allowed.

(b) If the certified market value of an eligible property for any tax year after tax year 2018, minus any homestead exclusion, is more than one and a half (1.5) times the certified market value of such property for the immediately preceding tax year, then the certified market value of such property for such tax year shall be deemed to equal one and a half (1.5) times the certified market value of such property for the immediately preceding tax year, and no further homestead exclusion shall be allowed; provided that:

(.1) For tax year 2019 only: The taxes exempted by this paragraph (b) shall be paid in full in tax year 2019, as if there were no exemption, and shall be credited against the taxes owing by the taxpayer for tax year 2020; provided, further, that, if the property is no longer the principal residence and domicile of the long-time owner occupant on January 1, 2020, no credit shall be provided and the credit shall immediately expire.

Regardless of whether the property is subsequently assessed at a lower or higher market value, the foregoing deemed certified market value, *as provided in paragraph (a) or (b)*, shall remain the deemed certified market value for so long as the eligible taxpayer remains eligible, until such property is sold, transferred or is no longer the principal residence of the eligible taxpayer, or until the eligible taxpayer voluntarily opts out of the program.

[(a)] (1.1) Opting out of the program. * * *

(3) Except as otherwise provided in this subsection, no later than February 17 of each tax year, the owner of any property that meets the criteria set forth in Section 19-3903 and who wishes to participate in the program must apply to the OPA for certification as a participant in the program.

* * *

(b) Extended deadline for the program. An owner of property who would have been eligible for the exemption of real property taxes beginning in Tax Year 2014, but who failed to submit an application by February 17, 2014, shall be deemed to have submitted a timely application if such application is submitted no later than February 17, [2017,] 2021, subject to the following:

(i) The owner must be eligible for the exemption as of the date the application is actually submitted;

(ii) If the OPA approves an application pursuant to this subsection (b), the resulting "deemed certified market value" shall first take effect with respect to taxes due on or after the date a timely application is filed, *but no sooner than tax year 2020*, and shall remain the deemed certified market value no longer than an exemption applied for on or before February 17, 2014;

(iii) If the total City and School District taxes exempted pursuant to this subsection (b) for any tax year, as certified by the Department no later than forty-five days after the deadline for applications under this subsection, when added to the total City and School District taxes already exempted pursuant to this Chapter for such tax year, exceeds [twenty million dollars (\$20,000,000),] *the maximum exemptions permitted pursuant to subsection (7), below*, the exemptions allocated pursuant to this subsection (b) shall be allocated among all eligible taxpayers on a pro rata basis so that the total taxes exempted for such tax year do not exceed [\$20,000,000;] *such maximum*; and

(iv) Each exemption authorized pursuant to this subsection (b) shall in all other respects be subject to the requirements of this Chapter.

(c) *For tax year 2019 only, a property owner shall have until June 30, 2019, to apply to OPA for certification as a participant in the program.*

* * *

(7) (a) If, for any tax year *through and including tax year 2018*, the total City and School District taxes exempted pursuant to the foregoing on all properties in the City, as certified by the Department no later than forty-five days after the deadline for applications under this Chapter, are in excess of twenty million dollars (\$20,000,000) then, notwithstanding subsection (1), above, the exemptions shall be allocated among all eligible taxpayers on a pro rata basis so that the total taxes exempted do not exceed \$20,000,000.

(b) *If, for tax year 2019 or any tax year thereafter, the total City and School District taxes*

exempted pursuant to the foregoing on all properties in the City, as certified by the Department no later than forty-five days after the deadline for applications under this Chapter, are in excess of twenty-five million dollars (\$25,000,000) then, notwithstanding subsection (1), above, the exemptions shall be allocated among all eligible taxpayers on a pro rata basis so that the total taxes exempted do not exceed \$25,000,000; provided that, for tax year 2019 only, this five million dollar (\$5,000,000) increase in the maximum taxes exempted shall be applied instead to the following tax year, so that the total taxes exempted for tax year 2020 only shall not exceed thirty million dollars (\$30,000,000).

Explanation:

[Brackets] indicate matter deleted.

Italics indicate new matter added.