



City of Philadelphia

City Council
Chief Clerk's Office
402 City Hall
Philadelphia, PA 19107

BILL NO. 051068

Introduced November 10, 2005

Councilmembers DiCicco, Krajewski and Clarke

Referred to the
Committee of the Whole Council

AN ORDINANCE

Amending Chapter 19-1300 of The Philadelphia Code, entitled "Real Estate Taxes," by providing that real estate taxes levied under that Chapter shall be based on the average of several years of assessed values, so as to smooth out the effect of rapid increases in property values, and by making technical amendments, 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 to read as follows:

CHAPTER 19-1300. REAL ESTATE TAXES.

§19-1301. Real Estate Taxes.

(1) For each of the following years, a tax is hereby levied at the following respective rates on each one hundred (100) dollars of the [assessed value of taxable real property returned by the Board of Revision of Taxes in the year immediately preceding the stated year] *Taxable Assessed Value of the property as calculated under subsection 19-1301(2)*:

<u>Year of Tax</u>	<u>Tax Rate</u>
1974 to 1976	\$1.975
1977 to 1980	\$3.275
1981 to 1982	\$3.475
1983 to 1984	\$3.90
1985 to 1988	\$3.505
1989 to 2002	\$3.745
2003 and each year thereafter	\$3.474

City of Philadelphia

BILL NO. 051068 continued

[(2) If the Commonwealth of Pennsylvania fails to provide legislation enabling City Council to enact Bill No. 131, introduced April 26, 1984, providing for the imposition of Business Privilege Taxes for Fiscal Year 1985, or if City Council fails to adopt Bill No. 131 for Fiscal Year 1985, the rate of tax shall be three (3) dollars and seventy-five and one-half (75½) cents for the years 1985 through 1988.

(3) In the event that a court of competent jurisdiction enters a final order from which all appeals have been exhausted, determining that City Council lacked the authority to impose this rate for the year 1989, the rate shall revert to three dollars and fifty and one-half cents (\$3.50½) for the year 1989.]

(2) *Taxable Assessed Value.*

(a) *Definitions.*

(i) *Assessment Ratio.* The ratio the BRT uses to determine the market value of a property from its actual market value (71% for tax year 2005), or the pre-determined ratio the BRT uses to determine the assessed value of a property from its market value (32% for tax year 2004).

(ii) *BRT.* The Board of Revision of Taxes.

(b) For tax years prior to 2007, “Taxable Assessed Value” shall equal the assessed value of taxable real property returned by the BRT for the year preceding the tax year.

(c) For tax year 2007 and thereafter, “Taxable Assessed Value” shall equal the average of the assessed values of a property as returned by the BRT in the year immediately preceding the tax year and in each of the four years prior to that year (the “four prior years”). For purposes of calculating this five year average: (i) assessed values returned by the BRT in the four prior years shall be adjusted for any changes in the Assessment Ratio, so that all assessed values for the four prior years are restated using the same Assessment Ratio that is used in the year immediately preceding the tax year; and (ii) if a property received any type of abatement during any of the four prior years but is not receiving that abatement during the tax year, the assessed values for the four prior years shall be adjusted as if the abatement were not in effect during any of the four prior years.

(d) Nothing in this subsection (3) shall affect the manner in which any eligible property is afforded a tax abatement authorized by any other provision of this Code, and the

City of Philadelphia

BILL NO. 051068 continued

Board of Revision of Taxes shall continue to administer the abatement programs in the same manner in which it currently administers those programs.

* * *

SECTION 2. Effective Date; Alternative Provisions.

(a) This Ordinance shall take effect immediately, except that Section 19-1301(2)(c) of The Philadelphia Code, as added by Section 1 of this Ordinance, shall take effect for tax years 2012 and thereafter only if expressly authorized by the General Assembly.

(b) If Section 19-1301(2)(c) does not take effect for any tax year after tax year 2011, then, for that tax year, the “Taxable Assessed Value” of a property, for purposes of Section 19-1301(1), shall equal the assessed value of taxable real property returned by the Board of Revision of Taxes in the year immediately preceding the tax year.

Explanation:

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

City of Philadelphia

BILL NO. 051068 continued