



City of Philadelphia

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

**BILL NO. 120340
(As Amended, 6/5/12)**

Introduced May 3, 2012

Councilmember Jones for Council President Clarke, Councilmembers Oh, Goode, Greenlee, Tasco, Kenney, Henon, Johnson, Blackwell, O'Brien, Quiñones Sánchez, O'Neill, Reynolds Brown, Squilla and Bass

**Referred to the
Committee of the Whole**

AN ORDINANCE

Enacting a new Chapter 19-3800 of The Philadelphia Code authorizing the granting of tax exemptions to longtime owner-occupants of certain properties in the City of Philadelphia.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 19-3900 is hereby added to The Philadelphia Code 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:

1. Numerous long-established residential areas and areas of deteriorated, vacant or abandoned homes and properties located throughout the City of Philadelphia have been targeted for redevelopment and, as a result, are particularly vulnerable to the process of neighborhood change known as gentrification.

2. Longtime owner-occupants of principal residences throughout the City face the real threat of losing the financial ability to remain in their homes by virtue of the rising

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market values and consequent property tax assessments which are the hallmarks of a gentrifying neighborhood.

3. Properties that experience a threefold increase or higher in certified market value, from one year to the next, and that also have a certified market value that is at least three times higher than the most recent arms length purchase price 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.

The Council of the City of Philadelphia therefore deems it to be a matter of sound public policy to provide a Real Property Tax exemption program to relieve the economic burden that gentrification brings to Longtime home owners, thereby enabling them to remain in their homes and neighborhoods.

§19-3902. Definitions.

(1) “Longtime owner-occupant.” Any person who, as of July 1, 2012, has owned and occupied the same dwelling as a principal residence and domicile within the City of Philadelphia for at least ten continuous years, or any person who, as of July 1, 2012, has owned and occupied the same dwelling as a principal residence and domicile within the City of Philadelphia for at least five years if that person received assistance in the acquisition of the property as part of a government or nonprofit housing program.

(2) “Principal residence.” The dwelling place of a person, including the principal house and lot, and such lots as are used in connection therewith which contribute to its enjoyment, comfort and convenience. For purposes of this Chapter, the term may also include a building with a maximum of one commercial establishment and a maximum of three residential units of which one residential unit must be the principal residence of the longtime owner-occupant.

(3) “Owner.”
(a) The owner of record, as recorded with the Department of Records; or

(b) An equitable owner, defined as a person who has inherited an interest in the property from the deceased owner of record; a person who has entered into an installment land contract to purchase the property from the owner of record; a person who was the owner of record before a fraudulent conveyance of the property occurred; or a person who can demonstrate some other ownership interest in the property; or

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(c) Where the owner of record either is deceased or cannot be located, a person who has registered his or her name with the Department as the person to whom tax bills should be sent and who has been paying such bills for at least the preceding ten years.

(4) “Base Year Market Value.” The greater of (i) the certified market value returned by the OPA in 2011 for tax year 2012; or (ii) the most recent arm’s length purchase price of the property.

(5) “OPA.” Office of Property Assessment.

§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:

(a) The property is owned and occupied by a longtime owner-occupant on January 1 of the tax year.

(b) The property is the principal residence and domicile of the longtime owner-occupant.

(c) The property is located in an eligible long-established residential area or area of deteriorated, vacant or abandoned homes and properties as defined by Section 19-3904.

(d) All real estate taxes on the property are current or subject to a payment agreement that is not in default.

(e) The certified market value of the real property, as most recently returned by the OPA, minus any homestead exclusion is at least three times the Base Year Market Value. For purposes of this Chapter 19-3900, if the predetermined ratio is other than 100%, the homestead exclusion shall be as set forth in § 19-1301.1, divided by the predetermined ratio.

§19-3904. Eligible Areas.

The following areas of the City are hereby declared to be established residential areas or areas of deteriorated, vacant or abandoned homes and properties:

(1) All wards of the City.

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§19-3905. Benefit Determinations.

(1) Upon application pursuant to subsection (2), below, for purposes of calculating the Taxable Value under §§ 19-1301(2)(b)(.1), (2) and (.3), and 19-1801(3)(b)(.1), (.2) and (.3), and for purposes of calculating the real estate tax imposed by the City or the School District of Philadelphia on the principal residence and domicile of an eligible taxpayer, the certified market value of the property shall be deemed to equal:

(a) For tax years 2013 through 2022: Three times the Base Year Market Value minus any homestead.

(2) The owner of any property that meets the criteria set forth in Section 19-3903 and who wishes to participate in the program must, by no later than February 15 of the tax year, apply to the Office of Property Assessment for certification as a participant in the program. The Office of Property Assessment shall solicit applications for the program through notices sent to every owner of real property located within the eligible areas as set forth in Section 19-3904 at least once per year.

(3) The Office of Property Assessment shall promulgate such rules, regulations, schedules or procedures as it deems necessary for the submission and establishment of proof of the eligibility of the taxpayer for the real property tax exemption provisions of this Chapter.

(4) The Office of Property Assessment shall approve or deny the application and shall determine the exemption amount to which the longtime owner-occupant is entitled. The Office of Property Assessment may also deny the application for lack of complete documentation with leave to refile within a stated period of time. For tax year 2013, the tax payment of an applicant under this Chapter, shall be due March 31, 2013 or within thirty (30) days of the date of notice that the applicant has been approved or denied the exemption, whichever is later.

(5) Nothing in this Chapter shall be construed as a limitation on the eligibility or the amount of any special tax provisions of any longtime owner-occupant who qualifies for the special tax provisions established in Chapter 19-2900 entitled "Senior Citizen Low Income Special Tax Provisions".

(6) If, for any tax year, the total City and School District taxes exempted pursuant to the foregoing on all properties in the City are in excess of thirty million dollars (\$30,000,000.00) 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 \$30,000,000.00.

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§19-3906. Prohibited Conduct: Penalties and Additions.

No taxpayer shall intentionally make any false statement when making application for eligibility to receive an exemption of real property taxes. If it is determined that a taxpayer made application for the real property tax exemption program on the basis of a false statement the eligibility for the exemption provisions is null and void and the applicant shall be required to pay the City outstanding tax liability and any additions, interest or penalties computed as if the taxpayer had never been granted any exemption.

§19-3907. Review by Tax Review Board.

The Tax Review Board is authorized to review any adverse final decision or determination of the Office of Property Assessment relating to a taxpayer's initial and continued eligibility for the real property tax exemption program as provided herein, in like manner and with the same effect as a petition for review, as provided in Chapter 19-1700.

Explanation:

Italics indicate new matter added.

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