



City of Philadelphia

Philadelphia, PA 19107

BILL NO. 050345

Introduced April 28, 2005

**Councilmembers Clarke, Goode, Mariano, Miller, Blackwell, Reynolds
Brown and Ramos**

**Referred to the
Committee on Finance**

AN ORDINANCE

Authorizing designated City officials to file articles of incorporation for a new not-for-profit corporation for the purpose of providing tax relief to certain homeowners who experience burdensome real estate tax bills; authorizing the Director of Finance to enter into an agreement with such corporation for such purpose; and providing for the funding of such an agreement; all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Mayor, the Director of Finance and the Council is hereby authorized to file with the Secretary of the Commonwealth articles of incorporation for a new not-for-profit corporation. The articles shall provide that:

(1) The Board shall be governed by a five member board of directors, two members to be appointed by the Mayor, two by resolution of City Council, and one to be selected by the foregoing four. Board members shall serve terms of four years, such terms to be staggered after an initial transition period.

(2) The mission of the corporation shall be to provide tax relief to homeowners who experience burdensome real estate tax bills, and such other provisions as the incorporator deems appropriate.

SECTION 2. The Director of Finance is hereby authorized to enter into a funding agreement, on behalf of the City, with the corporation created pursuant to Section 1, the terms of which shall be substantially as follows, with such modifications as the Director of Finance or the City Solicitor deems appropriate, all to protect the interests of the City and to further the purposes of this Ordinance.

City of Philadelphia

BILL NO. 050345 continued

(1) The City shall provide funding to the Corporation each year in an amount not to exceed the total amount of real estate taxes paid to the City in the prior calendar year by taxpayers on account of improvements currently subject to partial abatement of real estate taxes under Section 19-1303(2), 19-1303(3), 19-1303(4) or 19-1303(5) of The Philadelphia Code. After distributing all required grants pursuant to this Agreement, and payment of applicable administrative expenses, the Corporation shall return to the City any remaining funds.

(2) Corporation shall use substantial efforts to raise additional private and other public funding, to use for the purposes set forth in this Agreement.

(3) Corporation shall make available to homeowners within the City “tax relief grants,” upon application by a homeowner and evidence that the homeowner meets the following qualifications:

(a) The applicant owns real estate located in the City which is used as the applicant’s primary residence.

(b) The applicant’s total household income does not exceed 200% of the federal poverty level.

(4) Tax relief grants shall be offered to eligible homeowners in an amount equal to no more than fifty percent of the applicant’s combined City and School District real estate tax liability for the current year. To the extent the Corporation has insufficient funds to provide all applicants with the maximum allowable grant, the Corporation shall distribute available funds in a fair and equitable manner, taking into account the applicant's household income, the amount of any increase in real estate tax liability in the current year, and such other factors as the Corporation, after consultation with the Director of Finance, deems appropriate.

(5) Corporation may make reasonable rules, including application deadlines, to further the purposes of this Agreement.

(6) This Agreement is subject to cancellation by the Director of Finance at any time, upon thirty days’ notice.

SECTION 3. No later than February 15, 2006, and every February 15 thereafter, the Revenue Commissioner shall certify the total amount of real estate taxes paid to the City in the prior calendar year by taxpayers on account of improvements currently subject to partial abatement of real estate taxes under Section 19-1303(2), 19-1303(3), 19-1303(4)

City of Philadelphia

BILL NO. 050345 continued

or 19-1303(5) of The Philadelphia Code. Council shall appropriate for payment to the Corporation for the fiscal year beginning July 1 immediately following such certification, the amount certified by the Revenue Commissioner pursuant to this Section.

City of Philadelphia

BILL NO. 050345 continued