

AN ORDINANCE

Amending Chapter 19-1300 of The Philadelphia Code, entitled "Real Estate Taxes," by authorizing the School Reform Commission to determine whether certain tax exemptions from School District of Philadelphia real estate taxes shall continue; and by making technical corrections; all under certain terms and conditions.

WHEREAS, The Improvement of Deteriorating Real Property or Areas Tax Exemption Act (Act 34 of 1971 and Act 42 of 1977, as amended; 72 P.S. §§ 4711-101 through 4711-305) provides for tax exemptions for certain improvements to, and new construction of, residential property; and

WHEREAS, The Act has separate articles dealing, respectively, with improvements and new construction; and

WHEREAS, In both articles, the Act authorizes "Each local taxing authority" to provide for the tax exemptions "by ordinance or resolution" (72 P.S. §§ 4711-202(a) and 4711-302(a)); and

WHEREAS, The Act defines "Local taxing authority" as "a county, city... or school district having authority to levy real property taxes" (72 P.S. § 4711-103); and

WHEREAS, The Local Economic Revitalization Tax Assistance Act ("LERTA") (Act 76 of 1977, as amended; 72 P.S. §§ 4722 through 4727) provides for certain tax exemptions for improvements to, and new construction of, certain commercial and industrial properties; and

WHEREAS, The LERTA authorizes "Each local taxing authority" to provide for such exemptions "by ordinance or resolution" (72 P.S. § 4725(a)); and

WHEREAS, The LERTA defines "Local taxing authority" as "a county, city... or school district having authority to levy real property taxes" (72 P.S. § 4724); and

WHEREAS, The tax exemptions permitted by this legislation are currently available Citywide for both City and School District of Philadelphia real estate taxes up to the maximum amount and for the maximum duration authorized by this legislation; and

WHEREAS, In light of this legislation, which treats each taxing authority separately, and the extraordinary fiscal crisis facing the School District, the School Reform Commission should have the opportunity and responsibility to terminate – or explicitly authorize – each of the existing tax exemptions from School District real estate taxes; now, therefore,

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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§19-1303(2). Authorization to Offer Exemption from Real Estate Taxes on Improvements to Residential Properties.

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D. Exemption Amount.

(1) The exemption from real estate taxes shall be limited to that portion of the additional assessment attributable to the actual cost of improvements to eligible property.

(a) The exemption from real estate taxes shall be limited [so] to that improvement for which an exemption has been requested in the manner set forth below, and for which a separate assessment has been made by the Board of Revision of Taxes.

(2) *The exemption from real estate taxes shall apply both to City and School District of Philadelphia taxes, provided that, with respect to applications for exemption filed on or after July 1, 2014, the exemption shall apply solely to City taxes, except as provided in subsection (a).*

(a) *If the School Reform Commission, on or before July 1, 2014, adopts a resolution explicitly authorizing the application of the exemption to School District of Philadelphia taxes, then the exemption shall continue to apply to such taxes.*

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§ 19-1303(3). Authorization to Offer Exemptions from Real Estate Taxes on Improvements to Deteriorated Industrial, Commercial or Other Business Properties.

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D. Exemptions.

(1) Exemption amount.

(a) The amount to be exempted from real estate taxes shall be limited to that portion of the additional assessment attributable to the actual cost of improvements.

(b) The exemption from real estate taxes shall be limited to that improvement for which an exemption has been requested in the manner set forth below, and for which a separate assessment has been made by the Board of Revisions of Taxes.

(c) *The exemption from real estate taxes shall apply both to City and School District of Philadelphia taxes, provided that, with respect to applications for exemption filed on or after July 1, 2014, the exemption shall apply solely to City taxes, except as provided in subsection (i).*

(i) *If the School Reform Commission, on or before July 1, 2014, adopts a resolution explicitly authorizing the application of the exemption to School District of Philadelphia taxes, then the exemption shall continue to apply to such taxes.*

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§19-1303(4). Authorization to Offer Exemption from Real Estate Taxes on New Construction of Residential Properties.

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D. Exemption Amount.

(1) The exemption from real estate taxes shall be limited to that portion of the assessment valuation attributable to the cost of construction of the new eligible dwelling unit.

(2) The exemption from real estate taxes shall be limited to that construction for which an exemption has been requested in the manner set forth below, and for which a separate assessment has been made by the Board of Revision of Taxes.

(3) *The exemption from real estate taxes shall apply both to City and School District of Philadelphia taxes, provided that, with respect to applications for exemption filed on or after July 1, 2014, the exemption shall apply solely to City taxes, except as provided in subsection (a).*

(a) *If the School Reform Commission, on or before July 1, 2014, adopts a resolution explicitly authorizing the application of the exemption to School District of Philadelphia taxes, then the exemption shall continue to apply to such taxes.*

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SECTION 2. This Ordinance shall take effect immediately.

Explanation:

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

W. Wilson Goode, Jr.
October 10, 2013