

City of Philadelphia



(Bill No. 120823-AA)

AN ORDINANCE

Amending Chapter 19-500 of The Philadelphia Code, entitled "Taxes and Rents -- General," by changing the allocation of delinquent payments, under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 19-500 of The Philadelphia Code is hereby amended to read as follows:

CHAPTER 19-500. TAXES AND RENTS -- GENERAL

* * *

§ 19-505. Allocation of Delinquent Payments.

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(1) [Unless otherwise provided, when a partial payment is made on account of any delinquent tax, such payment shall be prorated between the principal sum of such tax and the penalties and interest accumulated on it.] *When a payment on a real estate tax account is made after the payment due date, such payment shall be applied first against the principal sum of such tax and the associated attorneys' fees or collectors' fees, then against interest and the associated attorneys' fees or collectors' fees, then against penalties and the associated attorneys' fees or collectors' fees, and then against lien filing fees and the associated attorneys' fees or collectors' fees. In each case, the allocation of the payment between the tax liability and the associated attorneys' fee or collectors' fee shall be made in the same proportion as the two liabilities bear to each other. In no case shall the amount of associated attorneys' fee or collectors' fee exceed the eighteen percent (18%) addition that is the maximum authorized under Philadelphia Code § 19-3101.*

(2) *Notwithstanding the provisions of subsection (1), above, the Department may, by regulation, provide that payment on a real estate tax account may be allocated to Eligible Expenses prior to, or after, any allocation to tax principal and associated fees, interest and associated fees, penalties and associated fees, or lien filing fees and associated fees. Eligible Expenses means costs, charges or expenses other than*

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attorneys' fees or collector's fees that are authorized under applicable law, including the Municipal Claims and Tax Liens Law of 1923, 53 P.S. §7101 et. seq., as amended.

(3) *Unless otherwise provided, for all taxes other than real estate taxes imposed under Title 19, when a payment is made after the payment due date, such payment shall be applied first against the principal sum of such tax; and any partial payment in excess of the principal sum of such tax shall be applied against interest, costs, and then against the penalties, in that order.*

(4) *The Department is authorized to prescribe by regulation the hierarchy of applications, in terms of years and type of taxes, of any delinquent and partial tax payment made by a taxpayer when the taxpayer does not specifically identify the year(s) and/or type of tax(es) for which the payment should be applied; provided that no payment in such circumstances shall be applied against anything other than principal and associated attorneys' fees or collectors' fees unless and until all principal liability is satisfied on all taxes for all years. Effective January 1, 2015, (i) any taxpayer who so requests will be sent a receipt clearly setting forth the allocation of her tax payment among principal, interest, penalties, fees and any collection costs and (ii) any taxpayer paying in person will be provided with such a receipt automatically.*

(5) *Notwithstanding anything to the contrary in this section 19-505, when a payment is made after the payment due date on a real estate tax account, (i) for which a tax claim was sold in trust in the Philadelphia Authority for Industrial Development 6.488% Tax Claim Collateralized Revenue Bonds, Series 1997 and (ii) for which such a tax claim remains outstanding, such payment shall be applied, in the same proportions as the liabilities bear to each other, among the principal sum of such tax, the penalties and interest accumulated on it, and the attorneys' fees or collectors' fees incurred on it, according to the priority in time of the tax liens, such that the oldest tax liens are paid first. After a partial payment on real estate taxes has been applied against all of the principal sum of such tax, the penalties and interest accumulated on it, and the attorneys' fees or collectors' fees incurred on it, additional payments received shall be applied to the Eligible Expenses of legal enforcement of the tax liens to collect a delinquent tax according to the priority in time in which the costs and expenses were incurred for the tax liens, such that the oldest tax lien years are paid first. Eligible Expenses means costs, charges or expenses other than attorneys' fees or collector's fees that are authorized under applicable law, including the Municipal Claims and Tax Liens Law of 1923, 53 P.S. §7101 et. seq., as amended.*

SECTION 2. Effective date. This Ordinance shall take effect January 1, 2014.

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Explanation:

[Brackets] indicate matter deleted.

Italics indicate new matter added.

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CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on May 16, 2013. The Bill was Signed by the Mayor on June 5, 2013.



Michael A. Decker
Chief Clerk of the City Council