



City of Philadelphia

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

BILL NO. 130153

Introduced March 7, 2013

**Councilmember Henon
for
Council President Clarke**

**Referred to the
Committee on Public Property and Public Works**

AN ORDINANCE

Amending Title 19 of The Philadelphia Code, entitled "Finance, Taxes and Collections," by enacting a new Chapter, entitled "City Incentives for Rapid Growth and Expansion," providing for monetary incentives to encourage rapid development of vacant and abandoned property in the City, all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

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

TITLE 19. FINANCE, TAXES AND COLLECTIONS

* * *

CHAPTER 19-3900. CITY INCENTIVES FOR RAPID GROWTH AND EXPANSION

§ 19-3901. Declaration of Policy.

The purpose of this Chapter is to provide monetary incentives for rapid redevelopment of vacant or abandoned property in the City.

§ 19-3902. Short Title.

This Chapter shall be known as and cited as the City Incentives for Rapid Growth and Expansion program, or CIRGE.

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§ 19-3903. Definitions.

- (1) Department. The Department of Revenue of the City.*
- (2) Eligible property. A vacant property located within the City purchased by a bona fide buyer, other than the owner, at a Tax Sheriff's Sale, purchased on or after the effective date of this Chapter, where the owner of the property has no right of redemption, and in which the buyer satisfies all outstanding municipal debts levied on the property.*
- (3) Substantial improvements. Repair, construction or reconstruction, including alterations and additions, having the effect of rehabilitating a structure so that it becomes habitable or attains a higher standard of housing safety, health or amenity or is brought into compliance with laws, ordinances or regulations governing housing standards, but in no event shall ordinary upkeep and maintenance be deemed a substantial improvement.*

§ 19-3904. Tax Sales Incentives Rebate Program.

(1) A buyer of an eligible property may receive a refund of one-half of the total dollar amount collected by the City in satisfaction of outstanding municipal debts levied on the property, if the buyer meets all of the following conditions:

- (a) All municipal debt levied on the property has been satisfied;*
- (b) Within 90 days of taking title to eligible property the buyer applies for and receives a building permit from the City;*
- (c) Within 90 days of taking title to eligible property the buyer notifies the Department of his or her intent to apply for a rebate under this Chapter on a form authorized by the Department; and*
- (d) Within 18 months of obtaining the building permit, the buyer has completed construction of a new building or has completed substantial improvements to an existing structure.*

(2) The Department shall develop rules and procedures to administer rebates of municipal debt payments collected under this Chapter under the following conditions:

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(a) *One-half of all the municipal debts collected by the City as a direct result of the sale of an eligible property shall be deposited into an interest bearing account and held in escrow for a minimum of 90 days;*

(b) *If the Department has not received adequate notice from the buyer as required under subsection (1) of this Section, on or after 90 days from the Sheriff Tax Sale of an eligible property, then the total sums may be disbursed from the escrow account to the City, including any interest earned;*

(c) *If the Department has received adequate notice from the buyer of an eligible property, it shall maintain the sums in escrow for at least 18 months following receipt of such notice, or until the buyer presents proper proof that construction or substantial rehabilitation of the property has been completed, whichever comes first;*

(d) *The Department may retain any and all interest collected as a result of holding funds in escrow, since the buyer is not entitled to any interest earned while the funds are held in escrow.*

(e) *The Department shall establish procedures for application, verification, and payment of the rebate sums as outlined in this Chapter. At a minimum, verification of compliance shall include evidence that a valid certificate of occupancy for the property has been issued by Licenses and Inspections.*

§ 19-3905. Quarterly and Annual Reporting.

(1) *The Department shall make Quarterly and Annual reports on the participation in the CIRGE program as follows:*

(a) *Quarterly Reports. On January 31, April 30, July 31 and October 31 of each year, a written report shall be filed with the President and Chief Clerk of Council, with a copy to the Department of Records and a copy published on the City's official website. Each report shall provide the information set forth in subsection (2) with respect to the three month period ending one month prior to the date the report must be filed.*

(b) *Annual Reports. By September 30 of each year, an annual report shall be filed with the President and Chief Clerk of Council, with a copy to the Department of Records and a copy published on the City's official website. The report shall provide the information set forth in subsection (2) with respect to the prior fiscal year.*

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(2) Reports shall include the following information and such other information as the Department deems relevant:

- (a) The number of applicants to the CIRGE program;*
- (b) The number and dollar amount of the rebates issued;*
- (c) The number of rebates applied for, but not issued, with an explanation; and*
- (d) An aggregation of the above information.*

SECTION 2. This Ordinance shall become effective in 90 days.

Explanation:

Italics indicate new matter added.