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COUNCIL OF THE CITY OF PHILADELPHIA

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COMMITTEE ON FINANCE

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Room 400, City Hall
Philadelphia, Pennsylvania
Wednesday, December 9, 2009
1:30 p.m.

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PRESENT:

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COUNCILWOMAN MARIAN B. TASCO, CHAIR

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COUNCILMAN DARRELL L. CLARKE

COUNCILMAN FRANK DiCICCO

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COUNCILMAN W. WILSON GOODE, JR.

COUNCILMAN BILL GREEN

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COUNCILMAN WILLIAM GREENLEE

COUNCILMAN CURTIS JONES, JR.

13

COUNCILWOMAN BLONDELL REYNOLDS BROWN

COUNCILWOMAN JANNIE BLACKWELL

14

COUNCILMAN JAMES KENNEY

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BILL 090686 - An ordinance amending Chapter
19-500 of The Philadelphia Code, entitled
Taxes and Rents - General"...

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BILL 090849 - An ordinance amending Section
10-1001 of Title 10 ("Regulation of Individual
Conduct and Activity")...

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BILL 090850 - An ordinance amending Section
10-1001 of Title 10 ("Regulation of Individual
Conduct and Activity")...

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COUNCILWOMAN TASC0: Hello.

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Good afternoon. The Committee on Finance

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will come to order. We will have a

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quorum by the time we finish with all the

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testimony, but for the purposes of the

7

hearing, we will open it so that we can

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begin the testimony.

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We will ask the Clerk to please

10

read the first bill that we will hear.

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THE CLERK: Bill No. 090686, an

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ordinance amending Chapter 19-500 of The

13

Philadelphia Code, entitled "Taxes and

14

Rents - General," by providing for a

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temporary tax amnesty program under which

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delinquent taxpayers may satisfy their

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past due tax obligations with forgiveness

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of all or a portion of accrued interest

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and penalties, under certain terms and

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conditions.

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Bill No. 090849, an ordinance

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amending Section 10-1001 of Title 10

23

("Regulation of Individual Conduct and

24

Activity") of The Philadelphia Code

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relating to fees charged by the

1 12/9/09 - FINANCE - BILL 090686, etc.
2 Commissioner of Records by modifying the
3 amount of such fees, under certain terms
4 and conditions.

5 Bill No. 090850, an ordinance
6 amending Section 10-1001 of Title 10
7 ("Regulation of Individual Conduct and
8 Activity") of The Philadelphia Code
9 relating to fees charged by the
10 Commissioner of Records by modifying the
11 amount of such fees, under certain terms
12 and conditions.

13 COUNCILWOMAN TASC0: Thank you
14 very much. We will now hear testimony on
15 Bill No. 090686, the tax amnesty bills.

16 The Chair calls Commissioner
17 Keith Richardson.

18 (Witness approached witness
19 table.)

20 COMMISSIONER RICHARDSON: Good
21 afternoon.

22 COUNCILWOMAN TASC0: Good
23 afternoon. Would you state your name for
24 the record, please, and proceed with your
25 testimony.

1 12/9/09 - FINANCE - BILL 090686, etc.

2 COMMISSIONER RICHARDSON: Keith
3 J. Richardson, Revenue Commissioner.

4 Good afternoon, Chairman Tasco
5 and members of the City Council Committee
6 on Finance. Again, I am Keith J.
7 Richardson, the Revenue Commissioner. I
8 am here to testify on Bill No. 090686,
9 which proposes a temporary tax amnesty
10 program during Fiscal Year 2010.

11 I am here to testify in support
12 of the proposed tax amnesty. The vast
13 majority of Philadelphians are meeting
14 their obligations to the City by paying
15 their taxes in full and on time. In this
16 time of economic distress, City revenue
17 collections have suffered and some
18 citizens and businesses find themselves
19 overwhelmed by the penalties associated
20 with their tax debts. Through an
21 amnesty, City government can offer those
22 citizens and businesses a chance to get
23 back on track with their tax bills before
24 their debts grow and become even more
25 overwhelming.

1 12/9/09 - FINANCE - BILL 090686, etc.

2 Amnesty and other efforts to
3 increase revenue collections seek to
4 lessen the impact of the City's financial
5 distress on residents, reducing the need
6 for either spending cuts or fees and tax
7 rate increases. The Administration has
8 evaluated the City's receivables,
9 experience with previous tax amnesties,
10 and the outcome of recent amnesties in
11 other cities and states.

12 Based on that information, we
13 project that a successfully implemented
14 amnesty would result in a net increase of
15 25 to 30 million in Fiscal Year 2010
16 collections. The amnesty will be
17 available for all tax types, except sales
18 tax, which is collected by the state and
19 the recently enacted Acute Care Hospital
20 Assessment. Everything else - the real
21 estate, wage tax, business privilege tax
22 and others - will be included.

23 To achieve this revenue
24 projection, the Department of Revenue
25 will be issuing a request for proposals

1 12/9/09 - FINANCE - BILL 090686, etc.
2 from collection consultants and investing
3 in outreach and advertising. The success
4 of the amnesty is contingent upon
5 approval of a transfer ordinance to
6 allocate 12.6 million for staffing,
7 contingency fees for the collection
8 agency, advertising, supplies and
9 technology. I testified before the
10 Council Committee on Appropriations
11 regarding the transfer ordinance last
12 week, and the Committee forwarded the
13 ordinance with a favorable
14 recommendation.

15 The Department of Revenue has
16 carefully considered the potential
17 pitfalls of offering an amnesty and is
18 taking steps to ensure that it is fair to
19 all taxpayers and does not encourage
20 future delinquency. In that regard, we
21 are proposing a series of amendments that
22 address these issues, as well as some
23 technical changes recommended by the Law
24 Department. For example, the ordinance
25 should provide that all delinquencies

1 12/9/09 - FINANCE - BILL 090686, etc.
2 accrued since the last amnesty and
3 incurred before July 1 of 2009 will be
4 eligible. I want to emphasize the last
5 requirement. Taxpayers should not put
6 off paying taxes that are due now to wait
7 for amnesty. We will not be offering
8 amnesty on recent debts.

9 The amnesty will be open to
10 those who underreported, underpaid or
11 never filed. Program participants will
12 need to apply. We anticipate online,
13 phone and in-person applications. For
14 those that are eligible, the entire
15 penalty and half of the interest due will
16 be waived.

17 We are eager to get people on
18 the tax rolls and up to date on their
19 accounts, but it is important for
20 everyone to realize that this is a
21 unique, isolated opportunity. Those
22 eligible for the Fiscal Year 2010 amnesty
23 that fail to come forward will be
24 ineligible for any future amnesty should
25 they occur. We do not intend to offer

1 12/9/09 - FINANCE - BILL 090686, etc.

2 another amnesty in the future.

3 Over the past year, the
4 Department of Revenue has stepped up
5 enforcement activity. We have been
6 publishing the names of delinquents,
7 hiring more auditors and engaging in more
8 information-sharing with the IRS. After
9 the amnesty, these efforts will continue
10 and expand. For those that could come
11 forward during this amnesty and fail to
12 take advantage of the opportunity, we
13 need the capacity to act efficiently,
14 economically to collect revenue due to
15 the City. To this end, the
16 Administration is seeking Council
17 approval for an additional enforcement
18 tool that will ensure that after the
19 amnesty, Philadelphia's tax collection
20 activities can continue successfully.
21 Bill No. 090833 would enable the City to
22 place the burden for paying collection
23 firms' fees directly on delinquents
24 rather than the burden being shared by
25 all taxpayers. Without this companion

1 12/9/09 - FINANCE - BILL 090686, etc.
2 bill, the seriousness of Philadelphia's
3 tax collection efforts post amnesty will
4 be undermined. The unique opportunity of
5 an amnesty must be paired with
6 consequences for continued
7 non-compliance. By shifting collection
8 fees onto the debtor rather than the
9 General Fund, Philadelphia will be
10 increasing the incentive for people to
11 pay on time, while reducing the expense
12 of tax enforcement activities currently
13 borne by the taxpayers that do pay on
14 time and in full.

15 We urge the passage of the
16 temporary tax amnesty legislation, in
17 conjunction with Bill 090833, as well as
18 the transfer ordinance to provide the
19 needed funding for amnesty
20 administration.

21 Thank you. I would like to
22 hand up the following draft amendments to
23 the bill. I'm happy to answer any
24 questions.

25 COUNCILWOMAN TASC0: Thank you

1 12/9/09 - FINANCE - BILL 090686, etc.

2 very much for your testimony.

3 Let me just go back to -- there
4 was a bill given to Council some time ago
5 requesting that we pass legislation to
6 allow for collection agencies to collect
7 real estate taxes. That bill has not
8 been passed yet. So are you saying that
9 the bill that you have now, that if we
10 pass -- and that was because the fees
11 that they charged cannot be passed
12 directly to the owner.

13 Is that the companion bill that
14 you're asking us to pass? Is that going
15 to be the same bill that you asked us to
16 pass before?

17 COMMISSIONER RICHARDSON: I
18 would ask Dan Cantu-Hertzler, if he can
19 come up, from the Law Department to
20 express his comments on this, please.

21 (Witness approached witness
22 table.)

23 MR. CANTU-HERTZLER: Yes. I'm
24 Dan Cantu-Hertzler, Chair of the
25 Corporate and Tax Group in the City Law

1 12/9/09 - FINANCE - BILL 090686, etc.

2 Department.

3 The bill is rather similar to
4 the bill from last year, but it would go
5 beyond it. It would affect not only real
6 estate but potentially all taxes, if we
7 have the authorization from the General
8 Assembly to impose collection agency
9 fees. Right now we do have that
10 authority as to real estate taxes,
11 water/sewer bills, other real estate
12 related, things like L&I liens, if City
13 Council grants authorization. We
14 don't -- City Council has not granted
15 that authorization. This proposed bill
16 would also allow it on business taxes and
17 other taxes, if the state passes enabling
18 legislation.

19 COUNCILWOMAN TASC0: So we
20 would, in addition to water -- I guess my
21 concern is, you all know the issues that
22 we raised around that first bill that you
23 sent to us relative to collection
24 agencies collecting real estate taxes.

25 MR. CANTU-HERTZLER: Yeah. I

1 12/9/09 - FINANCE - BILL 090686, etc.

2 think there were some misunderstandings,
3 and we'd be happy to talk more about
4 that.

5 COUNCILWOMAN TASC0: But if we
6 pass this amendment that you're asking us
7 to pass, we are, in essence, passing that
8 bill, the tenets of that bill.

9 MR. CANTU-HERTZLER: Yes, I
10 believe that's correct.

11 COUNCILWOMAN TASC0: So right
12 now only the law firms can collect real
13 estate taxes?

14 MR. CANTU-HERTZLER: Collection
15 agencies can collect real estate taxes,
16 but if we have the collection agencies do
17 it, then we have to pay them rather than
18 the taxpayers paying them.

19 COUNCILWOMAN TASC0: The cost
20 for the collection is borne by the City?

21 MR. CANTU-HERTZLER: It's borne
22 by the City and all taxpayers rather than
23 just the delinquent taxpayers.

24 COUNCILWOMAN TASC0: I really
25 do still have a problem with that.

1 12/9/09 - FINANCE - BILL 090686, etc.

2 MR. CANTU-HERTZLER: I
3 understand. Maybe we should talk
4 offline. I know that's not scheduled for
5 a hearing right now anyway, but sure.

6 COUNCILWOMAN TASC0: Well, are
7 you going to offer that bill today, the
8 companion bill?

9 MR. CANTU-HERTZLER: It's
10 already been introduced, but it wasn't
11 scheduled for hearing today. I believe
12 it was introduced by 11 Councilmembers a
13 couple weeks ago.

14 COUNCILWOMAN TASC0: They
15 probably didn't know what they were
16 signing.

17 Who introduced it?

18 MR. CANTU-HERTZLER:
19 Councilwoman Krajewski, along with this
20 bill. After this bill, but as part of
21 this.

22 COUNCILWOMAN TASC0: Okay.
23 We'll have a discussion about that.

24 MR. CANTU-HERTZLER: Sure.

25 COUNCILWOMAN TASC0: The other

1 12/9/09 - FINANCE - BILL 090686, etc.
2 thing, Mr. Richardson, what is your
3 relationship with the IRS and collecting
4 information from the IRS about
5 individuals who file income with the IRS,
6 but you not necessarily know about that
7 income that they have reported to the
8 IRS?

9 COMMISSIONER RICHARDSON:
10 Again, our working relationship with the
11 IRS, even with the Commonwealth of
12 Pennsylvania, is that we share data on
13 taxpayers or a bulk of information may be
14 on 2007's tax information or a specific
15 year.

16 As with regards to your
17 question -- can you repeat your question
18 again? I'll make sure I answer it
19 properly.

20 COUNCILWOMAN TASCO: Well, I'm
21 asking you, do you get the information
22 directly? Does your office receive
23 information directly from the IRS
24 relative to individuals who may have
25 reported income to the federal government

1 12/9/09 - FINANCE - BILL 090686, etc.
2 but not necessarily reported to the City
3 for collection of, say, wage tax or any
4 other tax?

5 COMMISSIONER RICHARDSON: Well,
6 yes, we do get data from the IRS. It
7 comes in bulk. We have to go through it
8 and decipher potential taxpayers in the
9 City, whether it be individuals or
10 businesses that may owe the City of
11 Philadelphia for not filing with us.

12 COUNCILWOMAN TASCO: What is
13 your level of success and do you have
14 enough staffing to capture that
15 information?

16 COMMISSIONER RICHARDSON: Our
17 level of success in our discovery area
18 has been very successful over the years
19 using data from the IRS. Again, as I
20 testify every year, it's always good to
21 have more folks, because there's a lot of
22 information out there that we may not be
23 able to capture every time we go after
24 taxpayers. Again, we try to use
25 parameters on certain dollar amounts that

1 12/9/09 - FINANCE - BILL 090686, etc.
2 we will go after. For those individuals,
3 for example, who may owe school income
4 tax, we look at people who may have
5 dividends of a thousand dollars and
6 above. So we try to go after that
7 universe. Anything at \$500, is it
8 beneficial for us to go after that
9 individual per se compared to that bigger
10 universe? So we try to set parameters on
11 things.

12 COUNCILWOMAN TASC0: Well, do
13 you ever notify the people who are under
14 a thousand dollars who may -- do you
15 directly notify them that they have
16 income and should pay wage tax on it?

17 COMMISSIONER RICHARDSON: If
18 that's a project we're working on, yes,
19 we will work with them and send letters
20 out to taxpayers. And, again, also we
21 work with the collection agencies to
22 assist us with that.

23 COUNCILWOMAN TASC0: Well, if
24 you go to a collection agency, doesn't
25 the collection agency charge a fee?

1 12/9/09 - FINANCE - BILL 090686, etc.

2 COMMISSIONER RICHARDSON: Yes,
3 they do.

4 COUNCILWOMAN TASCO: Would you
5 do better if you did the direct
6 notification?

7 COMMISSIONER RICHARDSON: It
8 would be good if we could do the direct
9 notification, but we may have to send out
10 5,000 letters to taxpayers and we don't
11 have the staff to take potentially 5,000
12 calls coming back. So that may be a
13 situation that we want to take advantage
14 of the collection agency that can assist
15 us with the collections on that.

16 COUNCILWOMAN TASCO: I'll let
17 some others ask questions, and I have
18 some more questions.

19 Councilman Greenlee.

20 COUNCILMAN GREENLEE: Thank
21 you, Madam Chair.

22 Good afternoon, Commissioner.
23 Just one question, and I know there's
24 going to be testimony about this, but
25 since you're here, I might as well ask

1 12/9/09 - FINANCE - BILL 090686, etc.

2 you.

3 There's going to be some
4 testimony requesting that water bills be
5 included in this. Do you have an opinion
6 on that one way or the other?

7 COMMISSIONER RICHARDSON: My
8 opinion is that right now we should deal
9 with tax amnesty only, not water. I
10 think if you're going to offer water, we
11 haven't done an analysis on that. Also,
12 you have to realize, for an example, I
13 may have a person that owes us \$2,200 for
14 water. After you take off the penalty
15 and perhaps a lien or two, they owe us
16 like \$1,800. So a \$400 difference. Is
17 that going to make much of a difference
18 for a person who already owes us? They
19 may not pay it.

20 Also, if we look at offering a
21 potential water amnesty and we're in a
22 moratorium right now, we're looking at
23 potentially six months that people will
24 not pay us at all, so our receivables
25 will go up.

1 12/9/09 - FINANCE - BILL 090686, etc.

2 COUNCILMAN GREENLEE: And,
3 again, you're saying the City doesn't
4 really gain that much from that; is that
5 basically what you're --

6 COMMISSIONER RICHARDSON: The
7 City doesn't. The Water Department
8 potentially could gain from that. Again,
9 I think Commissioner Brunwasser should be
10 here as well, because I can't speak on
11 the behalf of their department and the
12 bond covenants as well. But I think if
13 we're doing the tax amnesty, that
14 benefits the City and the General Fund.

15 COUNCILMAN GREENLEE: Okay. I
16 got you. Thank you.

17 COMMISSIONER RICHARDSON:
18 You're welcome, sir.

19 COUNCILWOMAN TASCO: The Chair
20 recognizes Councilman Green.

21 COUNCILMAN GREEN: Thank you,
22 Madam Chair.

23 Good afternoon.

24 COMMISSIONER RICHARDSON: Good
25 afternoon.

1 12/9/09 - FINANCE - BILL 090686, etc.

2 COUNCILMAN GREEN: I'm just
3 curious about a couple of aspects of the
4 bill. Why July 1st, 2009 versus
5 September 1st, 2009 or whatever as the
6 date that taxes have to be -- I mean,
7 they're all dates in the past.

8 COMMISSIONER RICHARDSON: Well,
9 you want to have a cut-off timeframe, and
10 I think working with Krajewski's office,
11 we settled on the June 30, 2009 at the
12 end of the fiscal year as a cut-off.

13 COUNCILMAN GREEN: Because it's
14 the end of the fiscal year?

15 COMMISSIONER RICHARDSON: Yes.

16 COUNCILMAN GREEN: That makes
17 sense.

18 And have you been involved in
19 tax amnesties in other jurisdictions
20 where you worked?

21 COMMISSIONER RICHARDSON: No.

22 COUNCILMAN GREEN: This is your
23 first one?

24 COMMISSIONER RICHARDSON: Yeah.

25 COUNCILMAN GREEN: Most tax

1 12/9/09 - FINANCE - BILL 090686, etc.
2 amnesties eliminate all interest and
3 penalties, don't they?

4 COMMISSIONER RICHARDSON: No,
5 sir. Most of them eliminate all penalty
6 and potentially 50 percent or 25 percent
7 of the interest.

8 COUNCILMAN GREEN: Twenty-five
9 percent of the interest.

10 Do you know what New Jersey's
11 very successful recent one was?

12 COMMISSIONER RICHARDSON: Why
13 were they very successful?

14 COUNCILMAN GREEN: No; what the
15 reduction in the tax rate -- I mean, in
16 the interest was. Was it 50 percent of
17 the interest or 25 percent of the
18 interest?

19 COMMISSIONER RICHARDSON: New
20 Jersey waived all penalties and half the
21 interest.

22 COUNCILMAN GREEN: New Jersey
23 waived all the penalties and half the
24 interest?

25 COMMISSIONER RICHARDSON: Yes.

1 12/9/09 - FINANCE - BILL 090686, etc.

2 COUNCILMAN GREEN: Do you have
3 a list of jurisdictions there like that?

4 COMMISSIONER RICHARDSON: I
5 have some of them.

6 COUNCILMAN GREEN: What do you
7 show there?

8 COMMISSIONER RICHARDSON:
9 Pretty much the states that have done
10 amnesties in the last fiscal year or so.

11 COUNCILMAN GREEN: And can you
12 just tell us what they waived?

13 COMMISSIONER RICHARDSON: Sure.
14 Alabama waived all penalties. Arizona
15 did all penalties and half interest.
16 Connecticut waived penalties and 25
17 percent of interest. Delaware waived all
18 penalties and interest.

19 COUNCILMAN GREEN: Delaware
20 waived all penalties and all interest?

21 COMMISSIONER RICHARDSON: In
22 Delaware, yes.

23 Louisiana did waiving all
24 penalties and half interest. Maine did
25 waiving 90 percent of penalties but no

1 12/9/09 - FINANCE - BILL 090686, etc.

2 interest. Maryland did waiving of all
3 penalties and half the interest, just to
4 name some of the few.

5 COUNCILMAN GREEN: So we're
6 pretty consistent with what's been going
7 on around the country?

8 COMMISSIONER RICHARDSON: Yes,
9 sir.

10 COUNCILMAN GREEN: Thank you.

11 COMMISSIONER RICHARDSON:
12 You're welcome.

13 COUNCILWOMAN TASCO: Any other
14 questions?

15 Councilwoman Blackwell.

16 COUNCILWOMAN BLACKWELL: Thank
17 you.

18 Good afternoon.

19 COMMISSIONER RICHARDSON: Good
20 afternoon, Madam.

21 COUNCILWOMAN BLACKWELL: I am
22 concerned that we -- I'm never for
23 publishing the names of delinquents in
24 the newspaper. I'm never for doing that,
25 or showing their pictures on the front of

1 12/9/09 - FINANCE - BILL 090686, etc.
2 the newspapers. I remember years back
3 where they did it for traffic tickets
4 when the late Lucien Blackwell was
5 around, and he complained, so that they
6 stopped it. I'm not for that.

7 But I'm also for -- I have one
8 member of my staff who was under
9 agreement and another member who owed no
10 bill. So that's just two people on my
11 staff who were contacted and threatened
12 with this tax stuff when they didn't owe.
13 So I'm concerned about people -- if it
14 can happen to my staff, it can happen any
15 place, and that's two people alone.

16 So I am concerned that we are
17 careful in that review and we make sure
18 that people we contact, we don't threaten
19 people unnecessarily and make people
20 afraid that they're in all this trouble
21 and they owe when they don't. If two can
22 happen in my office, then it can happen
23 anywhere.

24 COUNCILWOMAN TASC0: I share
25 Councilwoman Blackwell's concern. My

1 12/9/09 - FINANCE - BILL 090686, etc.
2 concern with this collection agency
3 business, unless the City has officially
4 notified a person that they owe the money
5 and give them an opportunity, without
6 having that discussion, you put it in a
7 collection agency's hand, then that
8 becomes part of their credit report, when
9 they could have satisfied the obligation.
10 And I'm talking about certain instances
11 where an individual may not be aware that
12 that extra income or whatever they get is
13 subject to payment to the City or
14 notification to the City. I think they
15 ought to be given the first notification
16 from the City before it goes to the
17 collection agency. When you get to the
18 collection agency -- and I'm not talking
19 about these large bills that you've been
20 trying to collect for months. I'm
21 talking about the initial contact.

22 COMMISSIONER RICHARDSON: To
23 address your concerns, Madam Chair,
24 again, anyone who was a delinquency with
25 the City of Philadelphia -- and we're

1 12/9/09 - FINANCE - BILL 090686, etc.
2 talking delinquencies -- gets letters
3 from the Department of Revenue numerous
4 times. You could be delinquent on real
5 estate, you're getting bills monthly from
6 us that you owe. It could be for
7 business taxes as well.

8 Now, with regard to what you're
9 commenting on, a lot of times taxpayers
10 may not know they owe the City for a
11 certain tax that may be owed. Again, we
12 cannot go out after every potential
13 taxpayer who may owe something. We may
14 not be aware that they may have received
15 some certain kind of income. Again, they
16 may file their returns with the IRS.
17 They may file with the state and neglect
18 to file with the City.

19 Most practitioners know that an
20 individual may owe the City. So when we
21 get data from another state agency or the
22 federal government and we see that,
23 again, we have to make a determination,
24 do we want to go after a bigger pool
25 that's going to bring larger revenue to

1 12/9/09 - FINANCE - BILL 090686, etc.
2 the City or potentially a smaller pool
3 that would bring revenue to the City but
4 we don't have the man force to work on
5 it.

6 COUNCILWOMAN TASCO: But the
7 person who has the larger bill does not
8 go to a collection agency and is not
9 subjected to the reporting that the
10 collection agencies do to the credit
11 bureau, so they get an opportunity to pay
12 their bill, where somebody who may not
13 know it is put in the hands of a
14 collection agency and gets that -- and
15 may not know that they owe the City this
16 money, that the City is subjected to a
17 tax on that money. They're put in the
18 hands of a collection agency, and,
19 therefore, they get a report on their
20 credit report. So that is an unfair
21 advantage for the person who owes a
22 little bit of money.

23 COMMISSIONER RICHARDSON: Well,
24 to clear the record for you, if the
25 collection agency is calling somebody,

1 12/9/09 - FINANCE - BILL 090686, etc.
2 they're not reporting to the credit
3 bureau. The only time you're going to
4 get reported to the credit bureau for a
5 tax issue is when the City has secured a
6 judge or lien against the individual. So
7 if I call Ms. Jones, who may on a pickle
8 company in North Philadelphia, about her
9 delinquencies, I'm making a phone call.
10 They're not getting reported until she
11 continues to say, I'm going to thumb my
12 nose at the City for 90 days. The City
13 says, Well, we're going to put a lien
14 against you. That becomes a public
15 record. That is what gets reported to
16 the credit bureaus, not a phone call from
17 the collection agency does not get
18 reported to the credit bureau. Because,
19 one, there's no judgement or lien against
20 the taxpayer, so they cannot report it.
21 A collection agency is only working on
22 the behalf of us to make that phone call
23 to say, Hey, listen, Mr. Jones, Ms.
24 Jones, you have a delinquency with the
25 City, we would like for you to take care

1 12/9/09 - FINANCE - BILL 090686, etc.
2 of this to resolve it today. They could
3 say, The City is going to look at taking
4 a lien against you. That's when it can
5 go to the collection agency.

6 Thousands of people get calls
7 every day. It doesn't go to the credit
8 bureau for every call. There wouldn't be
9 anybody who would have good credit if
10 that was the situation.

11 COUNCILWOMAN TASC0: So the
12 City at some point makes the
13 determination to file the lien?

14 COMMISSIONER RICHARDSON: Yes.
15 We will file a lien. It becomes a public
16 record, which then would be on the
17 person's credit bureau, not just from a
18 phone call from a collection bureau.

19 COUNCILWOMAN TASC0: For the
20 record, can you describe what events led
21 to the previous temporary tax amnesty
22 program of 1986, and are those events
23 similar with regards to this bill?

24 COMMISSIONER RICHARDSON: No, I
25 can't because I wasn't here and privy to

1 12/9/09 - FINANCE - BILL 090686, etc.
2 that back in 1985-'86, unfortunately, so
3 I can't really say why that happened, and
4 the folks that were here -- people are
5 not here who worked that program back
6 then.

7 COUNCILWOMAN TASC0: All right.
8 According to your testimony, it is
9 projected that the City will receive a
10 net increase of tax collections between
11 \$25 to \$30 million for Fiscal Year '10.
12 If we reached this target, would the
13 program be considered a success and would
14 it be continued for another year?

15 COMMISSIONER RICHARDSON: I
16 think it would be a success because we
17 hit our target. No, we would not want to
18 make amnesty an ongoing thing.

19 COUNCILWOMAN TASC0: So it's
20 just for the one-year period?

21 COMMISSIONER RICHARDSON: Yes.

22 COUNCILWOMAN TASC0: When is
23 the deadline on this one?

24 COMMISSIONER RICHARDSON: We're
25 anticipating from May to June would be

1 12/9/09 - FINANCE - BILL 090686, etc.

2 the amnesty timeframe.

3 COUNCILWOMAN TASC0: On Page 2
4 of your testimony, you state that 12.6
5 million will be needed for various
6 administrative costs, including
7 contingency fees for collection agencies
8 for this program.

9 What collection agencies will
10 be used?

11 COMMISSIONER RICHARDSON: Right
12 now we don't know what collection agency
13 or agencies will be used. We'll do an
14 RFP out if and when the ordinance is
15 approved by Council, and then we will
16 have -- whatever agencies would like to
17 bid on the contract, they are more than
18 welcome to bid on that.

19 Again, with regard to the 12.6
20 million, some of that money goes to
21 advertising this. An amnesty campaign is
22 something that you have to advertise on a
23 national basis. We have to reach out to
24 all 50 states, their chambers of
25 commerce. We need to reach out to the

1 12/9/09 - FINANCE - BILL 090686, etc.
2 Wall Street Journal and the national and
3 potentially international publishing of
4 the Wall Street Journal, the USA Today,
5 the papers here, the Internet,
6 billboards, the bus barns that folks are
7 waiting to catch the buses at. We have
8 to advertise and we have to be out to
9 talk with the various PICPA, PSPA, all
10 the various agencies that deal with
11 accountants, the Bar Association as well.

12 Again, some of the money will
13 potentially be used for the collection
14 agency. Again, we're saying, I think it
15 was, \$10 million. I'm hoping it
16 potentially is all used up. If \$10
17 million is used, we'll probably collect
18 lots of money, but, again, it's just --
19 it's going to be based off a contingency
20 fee what an agency would be collecting
21 from the City.

22 COUNCILWOMAN TASC0: Does this
23 include any increase to your staff?

24 COMMISSIONER RICHARDSON: It
25 will potentially include an increase to

1 12/9/09 - FINANCE - BILL 090686, etc.
2 the staff for the processing side of
3 things. So we had seeked \$250,000 and
4 also potentially \$200,000 for IT, because
5 we're going to have to code all the
6 accounts on the system to make sure that
7 they've been coded for amnesty, so if the
8 City ever decides to do an amnesty --
9 hopefully we all will be gone from here
10 then -- that people will know that these
11 cases now are not eligible because they
12 did not take advantage of it in Fiscal
13 Year 2010.

14 COUNCILWOMAN TASC0: Okay. Is
15 there any other questions?

16 Councilman Jones. Councilman
17 Jones, I'm sorry.

18 COUNCILMAN JONES: That's all
19 right, Madam Chair.

20 Just for the record,
21 Commissioner, Mrs. Jones does not own a
22 pickle company in the City.

23 COMMISSIONER RICHARDSON: This
24 is Mrs. Jones in Delaware, not your
25 Mrs. Jones, sir, in the 4th District.

1 12/9/09 - FINANCE - BILL 090686, etc.

2 COUNCILMAN JONES: I just
3 wanted to let you know that.

4 I would like to state for the
5 record that some of these
6 recommendations, and particularly this
7 one, was a part of the Freshmen 15 that
8 we presented to you -- actually, 30 that
9 we submitted to you, and what we've
10 learned as sophomores is that if you
11 relinquish ownership, you can be
12 surprised what can be done.

13 I'm looking at some of the
14 testimony that was submitted as to some
15 of the results from other municipalities
16 where they even underestimated what the
17 results would be and were surprised
18 pleasantly by the amount of
19 participation.

20 What's your ballpark -- I mean,
21 are you lowballing this just to be
22 conservative, or what's your
23 optimistic -- in light of some of the
24 projected budget deficits, how well can
25 we do on this?

1 12/9/09 - FINANCE - BILL 090686, etc.

2 COMMISSIONER RICHARDSON:

3 Again, I'm projecting to you the net of

4 \$25 to \$30 million we can collect.

5 Again, you will find the majority of all

6 municipalities and states would make sure

7 they are conservative with their numbers.

8 I wouldn't look at the numbers and say,

9 Oh, we have a billion dollars of

10 receivables and we're going to do ten

11 percent. No, because that's not

12 realistic. You have to look at the

13 receivables. You have to break it down

14 to these receivables have businesses that

15 are defunct. There may be situations

16 that you have to take them out of the

17 mix. So you have to look and analyze

18 your numbers.

19 So everyone pretty much does a

20 conservative number. For example,

21 Louisiana said, We can do 150 million.

22 What did they do? 466 million. I mean,

23 everyone thinks of this, they see New

24 Jersey, 200 million. They did 700

25 million.

1 12/9/09 - FINANCE - BILL 090686, etc.

2 Is it possible to do more than
3 30 million? I sure hope so, because it
4 helps out the services in the City, but
5 I'm not going to say more than that.

6 COUNCILMAN JONES: I'm pleased
7 with that. I won't steal the testimony
8 or thunder from the other people
9 testifying, but I'm reading their
10 testimony, and in each of those
11 municipalities, they far exceeded what
12 their initial revenue expectations were.

13 COMMISSIONER RICHARDSON:
14 Right. And let me say this for the
15 record. You have to realize too when you
16 look at municipalities and people are
17 thinking Philadelphia is going to do a
18 hundred million or more, the City of Los
19 Angeles did 17.9 million. Their
20 receivables are about three times ours.
21 In 2004, New York City did 40 million.
22 Their receivables are about ten times as
23 ours.

24 So for us to get a number,
25 again, because New Jersey did a certain

1 12/9/09 - FINANCE - BILL 090686, etc.

2 amount --

3 COUNCILMAN JONES: Jersey did
4 200 million estimate, 600 million
5 received.

6 COMMISSIONER RICHARDSON:
7 Actually right now it's about 835
8 million.

9 COUNCILMAN JONES: Delaware did
10 an estimate of 10 million and did 22
11 million received.

12 COMMISSIONER RICHARDSON:
13 Right.

14 COUNCILMAN JONES: So I'm just
15 optimistic.

16 COMMISSIONER RICHARDSON: Those
17 are states, not municipalities. You have
18 to realize they have more taxes than a
19 municipality has. Again, you have to
20 realize also in the 21st century --

21 COUNCILMAN JONES: Percentages.

22 COMMISSIONER RICHARDSON:
23 Right. Again, you have to realize all of
24 them used agencies to assist them to get
25 where they are.

1 12/9/09 - FINANCE - BILL 090686, etc.

2 COUNCILMAN JONES: And your
3 point is that you'd rather use the agency
4 versus ramping up internally to --

5 COMMISSIONER RICHARDSON: As I
6 said last week, we are not built to do
7 amnesty internally. War stories from
8 people from 1986 to '87, people were
9 around the block until 12 o'clock at
10 night trying to come into the Department.
11 We can't go through tax season and expect
12 to have that done and taken care of and
13 then three weeks later jump into amnesty
14 with 263 people. We are not built for
15 that.

16 COUNCILMAN JONES: My only
17 comment -- and I'll end it -- is that as
18 I listen to collection agencies sometimes
19 coming from China, India and other
20 places, to the degree that we are talking
21 about stimulus and other things and
22 shovel-ready, I mean, collections seems
23 to be one of those things that if we can
24 get it closer to home, that it will have
25 an economic benefit, not only to the

1 12/9/09 - FINANCE - BILL 090686, etc.
2 municipality and our treasury, but to
3 some people that are looking for jobs at
4 Broad and Cecil B. Moore or 60th and
5 Market, is my point.

6 Thank you, Madam Chair.

7 COUNCILWOMAN TASC0: Excuse me.

8 A thought: In the effort to create jobs,
9 instead of paying the money to a
10 collection agency, why couldn't we --
11 it's only a month-long process -- hire
12 people temporarily? That way, you don't
13 have to worry about paying benefits,
14 they're on a part-time basis, give them
15 that one-month window to earn the money
16 to come in to make those phone calls?

17 COMMISSIONER RICHARDSON:

18 That's a noble thought. I hear what you
19 say. However, for us to train someone to
20 learn taxes, the average employee takes
21 about 18 months to have a good
22 understanding of taxes. If you want to
23 hire someone undergraduate at Temple,
24 LaSalle, Peirce College --

25 COUNCILWOMAN TASC0: Are you

1 12/9/09 - FINANCE - BILL 090686, etc.

2 telling me that these collection agencies
3 hire college graduates to do collections?

4 COMMISSIONER RICHARDSON: I
5 don't know what they hire. I can't speak
6 for them.

7 COUNCILWOMAN TASC0: Well, I'm
8 trying to tell you, all they're doing is
9 calling you, telling you that you owe a
10 tax and you got to pay it.

11 COMMISSIONER RICHARDSON: I
12 understand.

13 COUNCILWOMAN TASC0: It doesn't
14 take a degree to do that. All I'm
15 saying, there are people who are
16 unemployed who could -- and you could use
17 some community agencies to do it and let
18 them hire the people and give them the
19 script. It doesn't take much to give
20 them a script to call a list and say, We
21 have a tax amnesty program, and whatever
22 else you want to say to it, because
23 that's all you're going to get from a
24 collection agency.

25 You know I hate collection

1 12/9/09 - FINANCE - BILL 090686, etc.

2 agencies. You know that, right?

3 COMMISSIONER RICHARDSON: I

4 didn't know that.

5 COUNCILWOMAN TASC0: You know

6 it now.

7 But anyway, and you could

8 stimulate the economy by people who are

9 unemployed, who could use that little

10 check that we have to make those phone

11 calls, and you could use many of the

12 community organizations that are here and

13 in this city to make some of those phone

14 calls.

15 COMMISSIONER RICHARDSON: Duly

16 noted, Madam.

17 COUNCILWOMAN TASC0: All right.

18 You might have to do that, because you

19 still got to get that bill, right?

20 COMMISSIONER RICHARDSON: We

21 have to get the bill.

22 COUNCILWOMAN TASC0: Okay.

23 Next. Who is next?

24 Councilman Green.

25 And let me say that we do have

1 12/9/09 - FINANCE - BILL 090686, etc.
2 a quorum in the presence of Councilman
3 Kenney, Blondell Reynolds Brown,
4 Greenlee, Tasco, Blackwell, Goode and
5 Green.

6 COUNCILMAN GREEN: Thank you,
7 Madam Chair.

8 I'm a little bit confused about
9 what exactly is happening with collection
10 agencies and this bill. There's nothing
11 in the amendment that we're considering
12 today that deals with the collection
13 agency issue; is that true?

14 COMMISSIONER RICHARDSON:
15 Correct.

16 COUNCILMAN GREEN: So this is
17 just simply the tax amnesty?

18 COMMISSIONER RICHARDSON:
19 Correct.

20 COUNCILMAN GREEN: With respect
21 to the collection piece, if we pass that
22 other bill, charging the taxpayer for the
23 efforts of the collection agency will not
24 be part of the amnesty program, right?

25 COMMISSIONER RICHARDSON: It

1 12/9/09 - FINANCE - BILL 090686, etc.
2 would not be part of the amnesty program,
3 but it would be our hammer as part of
4 amnesty after amnesty.

5 COUNCILMAN GREEN: After
6 amnesty that would be an additional fee?

7 COMMISSIONER RICHARDSON: It
8 would be a fee that's incurred by the
9 taxpayer instead of the City. For
10 example --

11 COUNCILMAN GREEN: No, no. I
12 understand.

13 COMMISSIONER RICHARDSON: You
14 understand? Okay. The taxpayer is going
15 to pay it now.

16 COUNCILMAN GREEN: Do we set
17 that fee in the legislation or do we rely
18 on you to negotiate a fair fee for the
19 taxpayer?

20 COMMISSIONER RICHARDSON: That
21 is negotiated with the agency on the fee
22 that they would be charging for
23 collection purposes.

24 COUNCILMAN GREEN: So if we
25 want to limit it, we're going to have to

1 12/9/09 - FINANCE - BILL 090686, etc.
2 put it in the legislation. In other
3 words, there's no incentive really since
4 it doesn't come out of the City's pocket
5 for us to get a good deal for the
6 taxpayers from --

7 COMMISSIONER RICHARDSON: You
8 want a fair and equitable deal. You
9 don't want to be using usury rates
10 against taxpayers. That's unrealistic.

11 COUNCILMAN GREEN: Would you
12 have any objection to us adding something
13 in there that limits the amount the
14 collection agency can charge as a
15 percentage?

16 COMMISSIONER RICHARDSON: I
17 guess we would like to talk to you before
18 potentially doing that, because if you
19 put a certain fee in there, it may kill
20 us from using agencies potentially.

21 COUNCILMAN GREEN: Thank you.

22 COUNCILWOMAN TASC0: Thank you
23 very much.

24 Any other questions?

25 (No response.)

1 12/9/09 - FINANCE - BILL 090686, etc.

2 COUNCILWOMAN TASC0: Thank you
3 very much for your testimony.

4 COMMISSIONER RICHARDSON: Thank
5 you, Madam Chairwoman and to the
6 Committee. Happy holidays.

7 COUNCILWOMAN TASC0: Thank you.

8 Next we have our Controller,
9 Alan Butkovitz.

10 (Witness approached witness
11 table.)

12 COUNCILWOMAN TASC0: Councilman
13 DiCicco has joined the Committee.

14 Mr. Richardson, just after the
15 other people have testified, we need you
16 to come back and explain these
17 amendments, please.

18 COMMISSIONER RICHARDSON: Sure.

19 COUNCILWOMAN TASC0: We'll let
20 the other witnesses testify on this bill
21 and then we'll ask him to come back to
22 explain the amendments.

23 Would you identify yourself for
24 the record, please.

25 MR. BUTKOVITZ: Good afternoon.

1 12/9/09 - FINANCE - BILL 090686, etc.

2 I'm Alan Butkovitz. I'm the Philadelphia
3 City Controller.

4 COUNCILWOMAN TASCO: Yes. You
5 may proceed.

6 MR. BUTKOVITZ: I'd like to
7 thank Chairwoman Tasco and the other
8 members of the Committee on Finance for
9 this opportunity to testify. I
10 especially would like to thank and
11 commend Councilwoman Krajewski for taking
12 the initiative in drafting the tax
13 amnesty legislation and introducing it in
14 Council.

15 The tax amnesty program is
16 included as one of ten action steps which
17 were included in our recommendations last
18 May in a report that our office issued to
19 help the City generate more revenue and
20 improve tax collection and compliance.

21 Currently, there is about a
22 billion dollars in uncollected taxes owed
23 to the City of Philadelphia.
24 Implementing a tax amnesty program for
25 Philadelphia is an opportunity to collect

1 12/9/09 - FINANCE - BILL 090686, etc.
2 millions of dollars in delinquent taxes
3 and provide much-needed funds to support
4 essential City services.

5 The Administration is already
6 projecting a \$50 million budget deficit
7 for next year and potential deficits in
8 the following years. The funds generated
9 from a tax amnesty program could
10 potentially eliminate or diminish this
11 pending deficit.

12 The success of the tax amnesty
13 program will depend largely on the City's
14 willingness to adopt an aggressive
15 mindset and strive to collect as much of
16 the maximum amount owed as possible. A
17 conservative collection rate of ten
18 percent would generate almost \$100
19 million for City coffers.

20 Philadelphia implemented tax
21 amnesty in 1986 when \$86 million was
22 owed. We generated \$25 million back
23 then, a 25 percent collection rate,
24 nearly four times more than what was
25 originally projected. If we were to

1 12/9/09 - FINANCE - BILL 090686, etc.
2 realize the same percentage of return
3 under this program, the City would
4 recover \$350 million out of this proposed
5 amnesty.

6 Using today's technology to
7 facilitate the easy payment of
8 outstanding tax obligations online, the
9 City could also utilize an abundance of
10 e-marketing strategies to reach targeted
11 audiences. The City has an array of
12 tools at hand to reach thousands of tax
13 delinquents throughout the City beyond
14 the traditional mailing and advertising
15 methods which were available 20 years
16 ago.

17 Other cities have collected
18 millions in added revenue in their own
19 tax amnesty programs. Phoenix, a city
20 comparable in population to Philadelphia,
21 collected 40 percent of outstanding tax
22 obligations, or 3.2 million of the \$8
23 million owed. Phoenix anticipated a 25
24 percent collection rate.

25 Oakland was owed \$2 million for

1 12/9/09 - FINANCE - BILL 090686, etc.
2 parking, hotel, real estate, business and
3 rent taxes, and ended up collecting \$1.7
4 million, almost the entire amount owed.
5 Its goal was a 35 percent collection
6 rate.

7 San Jose provided an amnesty
8 for business taxes only and almost
9 doubled its goal by collecting one and a
10 quarter million dollars, a ten percent
11 collection rate.

12 Pennsylvania's Legislature
13 recently adopted a tax amnesty plan as
14 part of the state budget and agreed on an
15 amount of \$1.6 billion as the amount that
16 is outstanding on state taxes. According
17 to information provided by the General
18 Assembly and by Auditor General Jack
19 Wagner, the state has agreed to an
20 estimate of \$160 million, or ten percent
21 in collections, and that was a
22 contentious issue during the state budget
23 negotiations. The Revenue Department and
24 the Governor initially resisted that.
25 They finally closed the deal, with the

1 12/9/09 - FINANCE - BILL 090686, etc.
2 concession that ten percent was
3 reasonably anticipated to be collectable.

4 During the past year, New
5 Jersey implemented one of the most
6 successful tax amnesty programs in the
7 nation. It generated more than \$700
8 million in 45 days, a 250 percent
9 increase in originally projected revenue.

10 New Jersey's success was due in
11 part to an aggressive outreach campaign
12 that included 600,000 notices sent to
13 taxpayers and a website that allowed
14 individuals to quickly pay their
15 outstanding delinquencies online.

16 Other outreach initiatives
17 included print, TV, radio and online
18 advertising. Trade organizations sent
19 e-mail blasts to their members. Tax
20 amnesty notices were posted and displayed
21 on digital screens at train stations, on
22 coffee cups in convenience stores, on
23 billboards, buses and on YouTube.

24 Since a successful tax amnesty
25 relies so much on an aggressive effective

1 12/9/09 - FINANCE - BILL 090686, etc.
2 outreach campaign, I would recommend that
3 City officials form a tax amnesty
4 committee to provide guidance on how best
5 to maximize collections. This committee
6 could be comprised of a representative
7 from the following City departments:
8 Revenue, Finance, Law, City
9 Representative, City Council and the City
10 Controller's Office. We need to work
11 together if we are to be successful in
12 generating the millions needed to help us
13 fill our anticipated budget gap for the
14 next year.

15 I would urge Council to support
16 and enact Councilwoman Krajewski's tax
17 amnesty legislation to help provide the
18 City with a much-needed source of funding
19 to pay for essential City services.

20 Again, I thank the Council for
21 the opportunity to testify before you
22 today.

23 COUNCILWOMAN TASC0: Thank you
24 very much.

25 Are there any questions for the

1 12/9/09 - FINANCE - BILL 090686, etc.

2 Controller?

3 (No response.)

4 COUNCILWOMAN TASC0: Thank you
5 very much for taking your time to come,
6 and I'm sure you're happy to see that one
7 of your recommendations might become
8 possible.

9 Mr. Wonderling, President and
10 CEO of the Chamber of Commerce.

11 (Witnesses approached witness
12 table.)

13 COUNCILWOMAN TASC0: Good
14 afternoon.

15 MR. WONDERLING: Good
16 afternoon.

17 COUNCILWOMAN TASC0: And
18 welcome to City Council. Is this your
19 first testimony?

20 MR. WONDERLING: This is my
21 first testimony and it's an honor to be
22 here.

23 COUNCILWOMAN TASC0: Well, we
24 welcome you to the City and we welcome
25 you as head of the Greater Philadelphia

1 12/9/09 - FINANCE - BILL 090686, etc.
2 Chamber of Commerce, and we're pleased to
3 have you here today making this
4 testimony.

5 MR. WONDERLING: Well, thank
6 you, Chairwoman Tasco and members of the
7 Finance Committee, and let me reiterate
8 it is indeed an honor not only to present
9 testimony today in my inaugural role
10 and doing so as President of the Chamber
11 of Commerce, but getting to know a number
12 of you over the last several months. And
13 hopefully, and most assuredly, a
14 productive and collaborative effort
15 between our Chamber of Commerce and you
16 individually and this legislative body is
17 something that I'm truly looking forward
18 towards.

19 There's the old adage, a rose
20 between two thorns. Let me suggest, at
21 least in part of my remarks, that I am a
22 novice between two experts, and to my
23 right is Jonathan Liss from Grant
24 Thornton and to my left is Stew
25 Weintraub, who chairs our Tax Committee,

1 12/9/09 - FINANCE - BILL 090686, etc.
2 and both gentlemen have assisted us in
3 presentation of this testimony today and
4 offer our services on an ongoing basis to
5 this committee and this Council.

6 Again, for the record, I am Rob
7 Wonderling, President and CEO of the
8 Greater Philadelphia Chamber of Commerce.
9 I come before you today in support of
10 City Council Bill 090686 amending Chapter
11 19-500 of The Philadelphia Code, entitled
12 "Taxes and Rents - General," by providing
13 for a temporary tax amnesty program under
14 which delinquent taxpayers may satisfy
15 their past due tax obligations through
16 the payment of the principal amount of
17 taxes due plus 50 percent of accrued
18 interest, with waiver of accrued
19 penalties.

20 The Greater Philadelphia
21 Chamber of Commerce has been an advocate
22 of a tax amnesty program for many years.
23 Most recently, we testified before the
24 Mayor's Task Force on Tax Policy and
25 Economic Competitiveness Commission on

1 12/9/09 - FINANCE - BILL 090686, etc.

2 May 21st, 2009. There we encouraged the
3 Administration to enact a tax amnesty
4 program, and we cited the success of ten
5 other states and local jurisdictions.

6 As a pro-business organization,
7 the Greater Philadelphia Chamber of
8 Commerce is keenly aware of the
9 importance the fiscal health of the City
10 plays in keeping taxes down and also
11 attracting new businesses and creating
12 jobs all across our city. Unfortunately,
13 as we know, the City has hemorrhaged jobs
14 and population and, with that, our
15 competitiveness.

16 Nearly half of the 300,000 City
17 jobs lost since 1970 could in part be
18 blamed on excessively high and outmoded
19 tax structure and approaches.
20 Philadelphians are now the most heavily
21 taxed of all large city residents in the
22 United States. Small entrepreneurs and
23 businesses are the most heavily taxed in
24 our metropolitan area, and the evidence
25 suggests that our suburbs have added 1.4

1 12/9/09 - FINANCE - BILL 090686, etc.
2 residents since 1970 while the City
3 continues to lose several hundred
4 thousand individuals.

5 The 15-member Tax Reform
6 Commission of 2003, on which we had a
7 seat, recommended a tax amnesty program
8 in their final report to the Mayor on
9 November 15th of '03. In quote, "In
10 conjunction with all increased effort to
11 improve volunteer taxpayer compliance, a
12 tax amnesty program could be implemented.
13 This would bring new taxpayers onto the
14 tax rolls and give eligible taxpayers a
15 last chance to 'come clean' before the
16 implementation of aggressive new tax
17 enforcement policy," close quote.

18 There's absolute positive proof
19 that these programs work. Although a
20 one-time influx of money, they are
21 successful, and the City of Philadelphia
22 has not taken advantage of this tool, as
23 you well know, since 1986. That program
24 brought in four times the amount expected
25 in collected revenue, or approximately

1 12/9/09 - FINANCE - BILL 090686, etc.
2 \$25 million. And according to the City's
3 Revenue Department in October 2009, there
4 were 135,685 delinquent real estate tax
5 accounts that owed a total of
6 approximately \$33 million. In addition
7 to property taxes, this bill includes
8 delinquent wage, business privilege and
9 School District taxes as well.

10 I will not go into details of
11 other examples from other jurisdictions
12 at the state and local level.
13 Individuals have previously testified to
14 the effect. Done appropriately with the
15 right resources, this could be a
16 significant one-time shot in the arm for
17 the City's treasury.

18 I'd like to draw your attention
19 to the findings of Mayor Nutter's Task
20 Force on Tax Policy and Economic
21 Competitiveness. One of its
22 recommendations, as we all know, was the
23 institution of a tax amnesty plan. We
24 believe that this approach at this point
25 in time would be immensely helpful, and

1 12/9/09 - FINANCE - BILL 090686, etc.
2 so we move forward to reforming our
3 property tax system and looking at a more
4 business-friendly tax code in the out
5 years.

6 Chairwoman Tasco, members of
7 this Committee, I would be remiss if I
8 did not take a moment here to mention the
9 fine work of the Private Sector Outreach
10 Board. The Private Sector Outreach Board
11 includes eight senior executives of
12 leading area businesses that meet monthly
13 with the Managing Director and other
14 members of the Mayor's Administration to
15 look at potential impacts and
16 improvements and efficiencies for our
17 government. They also identify
18 opportunities for City departments to
19 partner with private-sector organizations
20 on a pro bono basis. To date, over \$28
21 million in savings have been identified
22 to reduce costs and improve City services
23 through the efforts of this Outreach
24 Board. And those pro bono services have
25 been provided across the government. In

1 12/9/09 - FINANCE - BILL 090686, etc.

2 particular areas of emphasis, at least in
3 the start-up phase, were the areas of
4 human resource, customer service and
5 information technology.

6 Whether or not anticipated
7 revenues are earmarked as a result of the
8 potential passage of this ordinance, we
9 believe that they should be looked at.

10 The Mayor's Tax Competitiveness
11 Commission looked at the notion of having
12 part, if not -- a portion of the proceeds
13 to fund and jump-start investments in IT
14 that would create a more user-friendly,
15 accurate and fair way to collect a myriad
16 of taxes in the City. We'll leave that
17 matter to this committee and this body to
18 determine that, but the broader point
19 here is that we do support the tax
20 amnesty program.

21 And so with that, Madam
22 Chairman, I thank you for this
23 opportunity. We would be happy to field
24 any questions at this time.

25 COUNCILWOMAN TASC0: Thank you.

1 12/9/09 - FINANCE - BILL 090686, etc.

2 Any questions?

3 Councilman Green.

4 COUNCILMAN GREEN: Thank you
5 very much for your testimony. I look
6 forward to meeting with you and the Tax
7 Committee of the Chamber of Commerce to
8 go over some tax proposals that you and I
9 have discussed. So it's nice to meet
10 you. And I do note for the record that
11 your testimony did not include anything
12 City Council has done in the past year to
13 help Philadelphia businesses or
14 taxpayers.

15 MR. WONDERLING: And you've
16 done quite a bit, and we applaud that.

17 COUNCILMAN GREEN: Thank you.

18 MR. WEINTRAUB: Councilman
19 Green, speaking as Chair of the Tax
20 Committee for the Chamber, any time you
21 would like to come over and meet with us,
22 we'd be happy to have you there and call
23 a special meeting for you to be there and
24 speak with us.

25 COUNCILMAN GREEN: Thank you.

1 12/9/09 - FINANCE - BILL 090686, etc.

2 COUNCILWOMAN TASCO: I'd just
3 like to say -- and I don't make this
4 statement to be anti-Chamber or anything
5 of that nature, but I've been around long
6 enough to have some history, and I go
7 back to the '70s, and you say the 300,000
8 jobs lost could be attributed to our high
9 taxes. I've been around long enough to
10 know that back in the '70s, because you
11 are Greater Philadelphia, which includes
12 the suburban areas, there was a massive
13 campaign to support the King of Prussia,
14 Fort Washington areas in development and,
15 therefore, a lot of businesses left to go
16 to those areas. So it wasn't -- and I
17 don't think people thought at that time
18 of the impact it would have on the City
19 of Philadelphia, the development of the
20 Great Valley and all of those areas in
21 the suburban areas. Even the Coalition,
22 which I was a staff member at the time,
23 was encouraging the City, SEPTA to give
24 \$250,000 that they were receiving from
25 the federal government, we were

1 12/9/09 - FINANCE - BILL 090686, etc.
2 encouraging them to provide
3 transportation to those areas for people
4 who were going out there to work.

5 So we have to look at not just
6 the issue of the tax base in
7 Philadelphia, but also the other things
8 that were going on at that time to
9 develop other parts of the region which
10 created an opportunity for businesses to
11 move into the suburban areas. So all of
12 that comes into play.

13 MR. WONDERLING: If I might
14 just comment on that. I would suggest
15 that that was then and this is now, and I
16 think that if we work collaboratively,
17 the private sector with the governmental
18 sector and the quasi-public sector, we
19 can create the right environment for job
20 creation in this city. We could create
21 the right environment from which those
22 companies, particularly knowledge-based
23 industry companies that sprung up in the
24 suburbs since the 1970s, would be
25 advantaged to come back to the City and

1 12/9/09 - FINANCE - BILL 090686, etc.

2 establish once again their corporate

3 presence.

4 COUNCILWOMAN TASCO: I agree.

5 I'm not being confrontational.

6 MR. WONDERLING: I agree with

7 you.

8 COUNCILWOMAN TASCO: I've been

9 here a long time, and we were involved in

10 those social issues back then, along with

11 Jonathan Stein and George Gould at CLS.

12 So we have a long history in

13 Philadelphia.

14 Thank you so much.

15 MR. WONDERLING: Thank you.

16 COUNCILMAN GREEN: Madam Chair?

17 COUNCILWOMAN TASCO: Councilman

18 Green.

19 COUNCILMAN GREEN: Thank you,

20 Madam Chair.

21 I do want to, because

22 Councilwoman Tasco mentioned this, I do

23 want to note for the record that the City

24 of Philadelphia's decline since the early

25 '70s is most often attributed to our tax

1 12/9/09 - FINANCE - BILL 090686, etc.
2 rate. We had high taxes way before then
3 as the economy was growing here, et
4 cetera. And so it's really the fallacy
5 of the single factor. If our schools
6 don't work, et cetera, we lose our young
7 families. That's a major factor.

8 In Councilman DiCicco's
9 district, where we sit right now, is the
10 perfect example of people willing to pay
11 more taxes as long as they get the
12 service, and that is, of course, the
13 Center City district.

14 COUNCILMAN DiCICCO: Would you
15 mind bringing that message back to my
16 constituents on my behalf.

17 COUNCILMAN GREEN: The Center
18 City district is a perfect example where
19 people have actually voluntarily or said
20 they wanted to pay more taxes if they get
21 better services. So we have to match our
22 tax levels to the services citizens get
23 as part of this discussion as well.

24 Thank you.

25 COUNCILWOMAN TASC0: Thank you

1 12/9/09 - FINANCE - BILL 090686, etc.

2 very much for your testimony.

3 We now call Jonathan Stein and
4 Phil Bertocci.

5 (Witnesses approached witness
6 table.)

7 COUNCILWOMAN TASCO: Good
8 afternoon.

9 MR. BERTOCCI: Good afternoon,
10 Chairwoman Tasco and members of City
11 Council. We are Jonathan Stein, general
12 counsel, and Philip Bertocci, Director of
13 the Energy Utility Law Project at
14 Community Legal Services, and we're
15 appearing in general support of the tax
16 amnesty bill before Council, but we're
17 seeking one very important modification.
18 We respectfully urge Council, via
19 amendment, to include water/sewer
20 arrearages as coming within the amnesty
21 Bill No. 090686 for all the sound reasons
22 behind the bill itself and for the
23 additional ones that apply to water and
24 sewer bills. These water and sewer
25 bills, like tax bills, constitute liens

1 12/9/09 - FINANCE - BILL 090686, etc.
2 on the home and are under the
3 jurisdiction of the Revenue Department,
4 so it's perfectly appropriate to have
5 this as an amendment to this particular
6 bill.

7 At Community Legal Services, we
8 frequently see many cases of vulnerable
9 homeowners going without a necessity of
10 life, water service, due to the large
11 amount of water/sewer bill arrearages
12 outstanding. With all due respect to
13 Commissioner Richardson, we see many
14 people who come in with very large
15 water/sewer bills, \$10,000 and more, of
16 which 30 percent and 30 to 40 percent,
17 again anecdotally, are the penalties that
18 are preventing them or constituting an
19 additional obstacle to them being able to
20 deal with these problems and make sure
21 that they're right with Water Revenue.

22 Water and sewer bills have been
23 increasing greatly over the years. In
24 the recent 2008 water rate case where
25 Community Legal Services served as the

1 12/9/09 - FINANCE - BILL 090686, etc.
2 public advocate -- we were appointed by
3 the Mayor and the President of City
4 Council and the City Controller -- the
5 Water Commissioner approved rate
6 increases, which will make the typical
7 residential water/sewer bill increase by
8 30 percent between October 31st, 2008 and
9 July 1st, 2011. The basic bill would be
10 going up from about \$40 a month to about
11 \$60 a month over a relatively short
12 period of time.

13 The worst recession since the
14 Depression and the increasing poverty in
15 the City has only worsened the disturbing
16 phenomenon of homeowners' inability to
17 pay outstanding water and sewer balances,
18 which often include the accumulated
19 penalties.

20 It's often the case, to make
21 this particularly poignant, it's often
22 the case that the homeowners with these
23 very large arrearages have never received
24 the water service nor created the
25 outstanding arrearage. Like many

1 12/9/09 - FINANCE - BILL 090686, etc.
2 low-income and lower-income
3 Philadelphians, they live in houses which
4 are heir property, property that came
5 into their possession due to the fact
6 that their parent died without a will,
7 and they are now living in the property
8 and they have inherited with that
9 property the water/sewer liens that were
10 attached to the property before the death
11 of a parent, and yet to maintain the
12 service in this very same property, they
13 are faced with having to deal with the
14 penalties and interests which are accrued
15 since the death of their parents, and in
16 many type cases, this is simply an
17 insurmountable obstacle.

18 Also, there aren't very many
19 other remedies for people in this
20 situation. The Water Department has
21 something called the Water Revenue
22 Assistance Program for low-income
23 homeowners with income under 150 percent
24 of poverty, and this program presents
25 somewhat reduced water bills, a \$200

1 12/9/09 - FINANCE - BILL 090686, etc.
2 grant and puts arrearages in suspense.
3 However, the WRAP program is really an
4 inadequate remedy. First of all, it's
5 only available to people under 150
6 percent of the poverty level, and yet we
7 know from our experience that people are
8 unable to pay their bills in full and on
9 time up at least to 250 percent of
10 poverty, given the way we measure poverty
11 in this world.

12 And in addition, the WRAP
13 program enrolls, we believe -- the
14 low-income WRAP program enrolls only
15 about 5,000 customers out of over 400,000
16 residential customers. This compares
17 with PGW, whose bills admittedly are
18 larger, having 80,000 customers in their
19 low-income program serving exactly the
20 same constituency.

21 If water and sewer bills were
22 to be included into the amnesty program
23 now being proposed, hard-pressed
24 homeowners, possibly including some
25 without any water service now, would have

1 12/9/09 - FINANCE - BILL 090686, etc.
2 an opportunity to secure this essential
3 life service and make payments into the
4 City's Water Revenue Bureau, monies that
5 the City Water Department might otherwise
6 never receive.

7 We conclude also with a more
8 general recommendation, which goes to the
9 issue of the continuing escalating water
10 rates. The Water Department has not been
11 subjected to an independent management
12 audit for two decades, and yet there is a
13 City ordinance which requires that an
14 audit be conducted every four years and
15 that that audit include an investigation
16 into the efficiency of the collection
17 processes used by the Water Department,
18 in which the Water Department really uses
19 the Water Revenue Bureau as its
20 collection agency. The Public Utility
21 Commission, in contrast, requires
22 utilities to have management audits every
23 four years or five years. PGW, where the
24 PUC acquired jurisdiction over PGW in
25 2000, has already had two such management

1 12/9/09 - FINANCE - BILL 090686, etc.
2 audits. These management audits
3 admittedly are expensive, but we think
4 they are worth the money. And even as
5 the public advocate, I say if the City
6 General Fund is not willing to pay for
7 it, it's one of the few things that I
8 think that I would say that water
9 customers would be willing to pay for a
10 really first-rate management audit.

11 At this point, I can only note
12 that Resolution 080959, passed by City
13 Council last year, actually authorized
14 City Council to issue an RFP and do what
15 was necessary in order to have a
16 management audit of the Water Department,
17 and I think it would also cover some
18 issues involving the Water Revenue
19 Bureau, but so far as I know at this
20 time, that initiative has not yet
21 advanced as we would like to see, and
22 we're trying to call your attention once
23 more to it.

24 I think I've covered everything
25 that I was going to cover. Jonathan

1 12/9/09 - FINANCE - BILL 090686, etc.

2 Stein has something that he wants to add
3 involving ways in which we think that
4 some of these efforts can be supplemented
5 using TANF money, and I'll pass it to
6 Jonathan for that.

7 MR. STEIN: Good afternoon,
8 Chairwoman Tasco and members of Council.
9 This is not in the written testimony, but
10 this is really an idea that addresses the
11 fact that although this tax amnesty and
12 we hope also water/sewer bill amnesty is
13 a good idea, warrants support and
14 passage, it's really not going to help a
15 lot of very low-income people. Why?
16 Because the payback period is so short,
17 60 days in which you have to pay the
18 entire arrearage, plus half of interest.
19 That amount of money is really going to
20 be beyond the means of many people in the
21 City, particularly low-income people.

22 But there is a handle that
23 would allow the City to draw down tens of
24 millions, literally tens of millions of
25 TANF -- this is welfare money. TANF is

1 12/9/09 - FINANCE - BILL 090686, etc.

2 the abbreviation of it -- that would pay
3 for the City's forgiveness program.

4 The Congress of the United
5 States appropriated \$5 billion for TANF
6 stimulus money for all states to use,
7 including money that could be filtered
8 down to municipalities like the City of
9 Philadelphia. Only one of that 5 billion
10 has been drawn down so far, and this over
11 4 billion will disappear in the next
12 months unless states and cities act to
13 draw it down.

14 Now, why hasn't it been drawn
15 down? Even though there's a very
16 generous match of the feds matching 80
17 percent to 20 percent of local state
18 money, most states cash strapped have not
19 put up the 20 percent to draw down really
20 four times that. Most cities are not
21 even aware of this drawdown or not even
22 thought about using various means to be
23 the, quote, 20 percent match.

24 We're proposing -- and we're
25 just really today is the first time we're

1 12/9/09 - FINANCE - BILL 090686, etc.
2 airing this publicly -- that the City in
3 any forgiveness program it directs to
4 low-income people -- and it doesn't have
5 to be those at the very bottom, the
6 poorest people on welfare who are at 25
7 percent of the poverty level. That's how
8 low the welfare grant is these days, 25
9 percent of the poverty level. The level
10 could be set to include those but others
11 up to 200 percent. It's really a
12 flexible eligibility level. But once
13 that level is set to a specific
14 forgiveness program in conjunction with
15 the Department of Public Welfare, which I
16 think would be very sympathetic to the
17 City in this regard, the City could say
18 any money they forgive, quote, in the
19 real estate program, tax program, in the
20 water/sewer bill program and other
21 liabilities to the City could be the,
22 quote, 20 percent match that a state or a
23 local government has to come up to draw
24 down four times that from the feds. And,
25 in fact, the City could be made whole

1 12/9/09 - FINANCE - BILL 090686, etc.
2 entirely for all their arrearage, because
3 the four-for-one match they're getting
4 would take into account more forgiveness
5 than that 20 percent that they're
6 initially putting forward.

7 So we think this is a really
8 wonderful solution, a creative idea.
9 We're trying to get the attention not
10 only obviously of City Council today, and
11 you're the first ones to hear this
12 publicly, but also members of the City
13 Administration, who we've talked to a
14 little bit in the past, but we feel the
15 ball really needs to be carried to
16 fruition here since there's a time limit
17 on when this 5 billion will be around.
18 And I'm just adding this because we want
19 to share this with Council. And we think
20 this although is not literally an
21 amendment to the amnesty bill before you,
22 I think there's an opportunity to expand
23 amnesty not just for a 60-day period, but
24 to something that could be negotiated, a
25 broader period to be targeted to

1 12/9/09 - FINANCE - BILL 090686, etc.
2 lower-income people where virtually the
3 full cost of the amnesty could be paid
4 through this 80/20 match that's
5 available. And that's really the
6 addition I wanted to make to
7 Mr. Bertocci's testimony this afternoon.

8 Thank you.

9 COUNCILWOMAN TASC0: You guys
10 are going to have that conversation with
11 Mr. Richardson?

12 MR. STEIN: Yes. We will have
13 that conversation with Mr. Richardson
14 following this meeting. Thank you.

15 COUNCILWOMAN TASC0: Any other
16 questions or comments?

17 (No response.)

18 COUNCILWOMAN TASC0: Thank you
19 for your testimony.

20 Is there anyone else here to
21 testify on the amnesty bill?

22 (No response.)

23 COUNCILWOMAN TASC0: Okay. Now
24 we will hear Bill Nos. 090849 and 090850.

25 The Chair recognizes

1 12/9/09 - FINANCE - BILL 090686, etc.

2 Ms. Deborah McColloch.

3 Councilman Clarke.

4 COUNCILMAN CLARKE: Thank you,

5 Madam Chair.

6 Real brief. I know you've been
7 here a long time already and we're only
8 halfway through. I just want to take a
9 moment, first of all, to thank the many
10 advocates, some of whom are here today,
11 for their continued support and their
12 very hard work, both with Philadelphia
13 and Harrisburg, for trying to move the
14 ball forward on making sure that we
15 continue to look at all tax strategies to
16 get affordable housing dollars on the
17 table.

18 As you know, our current Trust
19 Fund has diminished because of the
20 downturn in the economy. In an earlier
21 hearing with the increase in recording
22 fees for the budget purposes, there was
23 this conversation about coming up with a
24 strategy to basically get the limitations
25 that were imposed on us by the Harrisburg

1 12/9/09 - FINANCE - BILL 090686, etc.
2 version lifted so we can do some things
3 on the local level. And I want to thank
4 State Representative John Taylor for
5 moving the ball forward on his end on the
6 state level, and I do believe we have
7 reached an understanding between the
8 Administration and Council as it relates
9 to the minimum sponsors of the bill as it
10 relates to how we will approach this
11 particular issue.

12 So, again, to all of the
13 advocates and all of the hard work, I
14 just want to thank you and commend you
15 all for doing your great work.

16 COUNCILWOMAN TASC0: Thank you,
17 Councilman.

18 Any other comments or
19 questions?

20 (No response.)

21 COUNCILWOMAN TASC0: Thank you.
22 You may proceed.

23 MS. MCCOLLOCH: Good afternoon,
24 Councilwoman Tasco and members of the
25 Finance Committee. I am Deborah

1 12/9/09 - FINANCE - BILL 090686, etc.
2 McColloch, Director of Housing, and I am
3 here on behalf of the Administration to
4 present testimony on Council Bills 090849
5 and 090850.

6 These two bills authorize an
7 increase in the fees for recording deeds,
8 mortgages and mortgage satisfaction
9 documents to support the Housing Trust
10 Fund. While the Administration supports
11 Bill No. 090849, it does not support Bill
12 No. 090850.

13 Bill No. 090849 increases the
14 recording fees by \$30 to directly support
15 the Philadelphia Housing Trust Fund.

16 Depending upon market
17 conditions, this bill will increase
18 dedicated funding to the Housing Trust
19 Fund by \$3 to \$5 million annually.
20 Established in 2005, the Housing Trust
21 Fund has proven to be a valuable resource
22 for affordable housing programs in the
23 City of Philadelphia. Since its
24 inception, it has generated nearly \$53
25 million in funding to support the

1 12/9/09 - FINANCE - BILL 090686, etc.
2 development of affordable rental and
3 homeownership housing, housing
4 preservation programs for low-income
5 homeowners and homeless prevention
6 programs.

7 I serve as the Chair of the
8 Housing Trust Fund Oversight Board and I
9 see firsthand the benefits of the Housing
10 Trust Fund. The Housing Trust Fund has
11 provided over 500 units of affordable
12 homeownership and revitalized
13 neighborhoods with developments such as
14 Pradera Homes and the Twin Homes at
15 Powder Mill, which recently won the
16 Philadelphia Business Journal's Judges
17 Choice Award for best new real estate
18 deal of 2009. It has provided over 1,200
19 units of affordable rental housing,
20 offered Basic Systems Repair grants to
21 over 1,000 low-income homeowners and made
22 over 100 properties accessible through
23 the Adaptive Modifications program.

24 We cannot, of course, look at
25 recording fees as an inexhaustible supply

1 12/9/09 - FINANCE - BILL 090686, etc.
2 of revenue. At some point, increases in
3 the fees for housing purposes will
4 squeeze out the ability to make increases
5 to the basic recording fees that may be
6 needed to fund improvements to the
7 underlying document recording system. At
8 this time, however, we are happy to say
9 that we support Councilman Clarke's
10 efforts to provide this increased amount
11 of funding for affordable housing and
12 other related Housing Trust Fund
13 initiatives.

14 I also note that we plan to set
15 aside a portion of the Housing Trust Fund
16 earnings eligible to be used for
17 administrative costs to help pay the
18 Department of Records' costs associated
19 with the administrative changes needed to
20 deal with this change in the Department's
21 fees.

22 Bill No. 090850, by contrast to
23 Bill 090849, would reduce the basic
24 document recording fee by \$15 and
25 increase recording fees dedicated to the

1 12/9/09 - FINANCE - BILL 090686, etc.
2 Housing Trust Fund by \$15. Under that
3 bill, there would be no net change in the
4 City's revenue, but General Fund revenues
5 would decrease in direct proportion to
6 the increases in the Housing Trust Fund.
7 The Administration opposes Bill No.
8 090850 because of the significant
9 decrease to the General Fund in the range
10 of \$2 million per year. The
11 Administration does not support any
12 decrease to the General Fund, as all of
13 our current budget projections and the
14 City's Five-Year Plan have assumed this
15 revenue.

16 Thank you for providing this
17 opportunity to testify on Bills 090849
18 and 090850. I'm happy to answer any
19 questions that you may have.

20 COUNCILWOMAN TASCO: Any
21 questions about this bill?

22 Wilson Goode, please.
23 Councilman Goode.

24 COUNCILMAN GOODE: Thank you,
25 Madam Chair.

1 12/9/09 - FINANCE - BILL 090686, etc.

2 Ms. McColloch, only because I
3 can't resist to ask a few questions. So
4 you don't support money going toward
5 housing as a priority for the City?

6 MS. MCCOLLOCH: I'm sorry. I
7 didn't understand.

8 COUNCILMAN GOODE: You do not
9 support more money going toward housing
10 as a priority for the City?

11 MS. MCCOLLOCH: On the
12 contrary. I do support more money going
13 to housing as a priority of the City.

14 COUNCILMAN GOODE: Well, we are
15 also considering a separate piece of
16 legislation that deals with a tax amnesty
17 program, and the Administration's
18 testimony was in support of that bill.
19 That will bring in \$25 to \$30 million.
20 Would you support a portion of that going
21 toward housing?

22 MS. MCCOLLOCH: I'm sorry?

23 COUNCILMAN GOODE: The money
24 that would come into the General Fund
25 from the tax amnesty program, would you

1 12/9/09 - FINANCE - BILL 090686, etc.
2 support that going toward housing or any
3 portion of it?

4 MS. MCCOLLOCH: It would be
5 part of the general -- I would support
6 whatever part of the budget got allocated
7 to housing programs, of course.

8 COUNCILMAN GOODE: That really
9 wasn't the question. The question is,
10 we're sitting in one hearing where we're
11 considering two different matters. The
12 first matter we were considering is a tax
13 amnesty program that anticipates bringing
14 in \$25 to \$30 million. As many people
15 have testified, quite possibly a whole
16 lot more. What portion of that new
17 revenue would you consider going toward
18 the Housing Trust Fund?

19 MS. MCCOLLOCH: However those
20 funds have been budgeted through the
21 Budget Office and the Director of
22 Finance's budget would be -- some portion
23 of it may or may not go to housing. I
24 don't know. I haven't seen the budget
25 for it.

1 12/9/09 - FINANCE - BILL 090686, etc.

2 COUNCILMAN GOODE: I'm assuming
3 those dollars -- the Revenue Commissioner
4 can come to the table, if he'd like, but
5 I'm assuming those dollars have not been
6 allocated in any way. So I'm asking you,
7 would you advocate for a portion of those
8 proceeds from the tax amnesty program
9 going toward the Housing Trust Fund?

10 MS. MCCOLLOCH: The bill that
11 I'm here to testify on is supporting
12 additional revenue to the Housing Trust
13 Fund. So I support additional revenue to
14 the Housing Trust Fund, but I'm not in a
15 position --

16 COUNCILMAN GOODE: My question
17 is with regard to proceeds from the tax
18 amnesty program, which are projected to
19 be \$25 to \$30 million, which may very
20 well be a hundred million dollars, do you
21 advocate for a portion of those dollars
22 going toward the Housing Trust Fund?

23 MS. MCCOLLOCH: I would
24 advocate for a portion of those to go to
25 the Housing Trust Fund.

1 12/9/09 - FINANCE - BILL 090686, etc.

2 COUNCILMAN GOODE: Then you
3 would understand that it would make no
4 difference to this committee if we're
5 actually looking at one bill which is
6 bringing \$25 to \$30 million into the
7 General Fund and another bill which is
8 shifting \$2 million. It really wouldn't
9 make a difference to this committee, as
10 long as we support the Housing Trust
11 Fund. We don't just see it as a \$2
12 million decrease in the General Fund
13 related to one piece of legislation. We
14 also are here to support another piece of
15 legislation that would bring \$25 to \$30
16 million more into the General Fund
17 coffers.

18 MS. MCCOLLOCH: I --

19 COUNCILMAN GOODE: Part of the
20 reason I make that point is simply
21 because there are two separate people
22 testifying on behalf of the
23 Administration, which is kind of
24 interesting because your testimony in
25 terms of your opposition to the bill, the

1 12/9/09 - FINANCE - BILL 090686, etc.
2 Administration's opposition to the bill,
3 is a loss in revenue, but we're here also
4 to consider a bill that is going to bring
5 more revenue into the City. You see my
6 point?

7 MS. MCCOLLOCH: I do see your
8 point, Councilman. I'm not the person
9 that makes the decisions about the
10 allocation of the additional resources
11 that the tax amnesty bill would bring to
12 the City. I'm a member of the
13 Administration. I would advocate on
14 behalf of the Housing Trust Fund.

15 COUNCILMAN GOODE: I get it. I
16 just couldn't resist. I'm sorry.

17 COUNCILWOMAN TASCO: We just
18 want to test your mettle today.

19 MS. MCCOLLOCH: Did I pass?

20 COUNCILWOMAN TASCO: You did
21 all right. You danced a little bit,
22 girlfriend.

23 In Bill 090850, just explain
24 that, make it clear to me. The bill
25 would take the recording fee of \$15?

1 12/9/09 - FINANCE - BILL 090686, etc.

2 MS. MCCOLLOCH: Bill 090850
3 would reduce the recording fee by \$15 and
4 take that \$15 and put it into the Housing
5 Trust Fund. So it reduces the funding
6 going into the General Fund and increases
7 a dedicated resource to the Housing Trust
8 Fund.

9 COUNCILWOMAN TASC0: Now, what
10 does 849 --

11 MS. MCCOLLOCH: And 849
12 increases the fees -- increases the
13 recording fee by \$30.

14 COUNCILWOMAN TASC0: Right.

15 MS. MCCOLLOCH: And that total
16 \$30 increase is dedicated to the Housing
17 Trust Fund.

18 COUNCILWOMAN TASC0: And this
19 other bill gives you another \$2 million
20 if you cut the recording fees?

21 MS. MCCOLLOCH: 849
22 increases -- essentially 849 increases
23 the amount into the Housing Trust Fund by
24 \$15 a transaction, and Bill 850 increases
25 the amount into the Trust Fund by \$30 a

1 12/9/09 - FINANCE - BILL 090686, etc.

2 transaction.

3 COUNCILWOMAN TASC0: So you're
4 going to get \$45?

5 MS. MCCOLLOCH: No. So the two
6 bills are mutually exclusive. One
7 increases the amount into the Trust Fund
8 by \$15. The other one increases the
9 amount into the Trust Fund by \$30. But
10 the two bills have two different -- are
11 two different proposals.

12 COUNCILWOMAN TASC0: So if
13 Bill -- maybe I'm slow. 090849 will give
14 you \$30 directly to the Housing Trust
15 Fund.

16 MS. MCCOLLOCH: 849 increases
17 it by \$30, yes.

18 COUNCILWOMAN TASC0: By \$30?

19 MS. MCCOLLOCH: Yes, by
20 increasing the fees, overall increasing
21 the fees.

22 COUNCILWOMAN TASC0: Okay.
23 Let's go back to 49. You're going to get
24 an additional \$15?

25 MS. MCCOLLOCH: By decreasing

1 12/9/09 - FINANCE - BILL 090686, etc.
2 the fees, taking it out of the General
3 Fund and putting it into the Trust Fund.

4 COUNCILMAN CLARKE: You're
5 increasing the allocation.

6 MS. MCCOLLOCH: Decreasing the
7 allocation to the Trust Fund. The fee
8 remains the same. I beg your pardon.
9 The fee remains the same. You're just
10 changing the allocation.

11 COUNCILWOMAN TASCO:
12 Councilman, could you explain it to me,
13 please.

14 COUNCILMAN CLARKE: It's
15 basically a redistribution, as the term
16 is used. Councilwoman, it's a
17 redistribution of the existing increase
18 in the Housing Trust -- I'm sorry; in the
19 recording fees about -- when did we do
20 that? Six months ago? About six months
21 ago during the budget, the Administration
22 raised the recording fees by \$30 for the
23 General Fund budget. During that
24 hearing, we asked them if they had made
25 an arrangement as in the earlier

1 12/9/09 - FINANCE - BILL 090686, etc.
2 recording fee increase. A portion of
3 that money was going to go to the Housing
4 Trust Fund. They said that they were
5 prohibited by state legislation that
6 capped the amount that can go into the
7 Trust Fund. So we asked Representative
8 Taylor and the advocates asked to take
9 that cap off of the state legislation to
10 allow the City of Philadelphia to either
11 redistribute that money, give half to the
12 City of Philadelphia and half to the
13 Trust Fund, or allow us to increase the
14 fee in its entirety.

15 So we put basically two bills
16 in, one that would allow us to
17 redistribute the current amount and the
18 other one that would allow us to raise
19 the fee by \$30 to increase it on that
20 way. So we basically put options on the
21 table for the Administration to determine
22 which one they were interested in.

23 I hope that's a little clearer
24 than Ms. McColloch's as I spoke. But
25 right now, the commitment by the

1 12/9/09 - FINANCE - BILL 090686, etc.
2 Administration to support the fee
3 increase by an additional \$30 will
4 actually produce more money than the
5 redistribution of the current recording
6 fee increase. My concern is that there
7 is an understanding by the General
8 Assembly -- because the bill in
9 Harrisburg was listed for a hearing, but
10 for some reason was tabled. I heard
11 different versions as to why it was
12 tabled. My concern is that they
13 understand that the Administration; i.e.,
14 the City, is now supportive of that
15 increase of the legislation that was
16 supported by the advocates and
17 Representative Taylor.

18 MS. MCCOLLOCH: Yes. The
19 Administration is in support of that.

20 COUNCILMAN CLARKE: A little
21 bit beyond just simply having this
22 hearing. So if a letter of support for
23 that Harrisburg legislation could be
24 forthcoming, it would be very helpful.

25 MS. MCCOLLOCH: Yes. We can do

1 12/9/09 - FINANCE - BILL 090686, etc.

2 that.

3 COUNCILMAN CLARKE: Did I
4 explain it? I hope I didn't confuse you
5 any more.

6 COUNCILWOMAN TASCIO: I'm
7 totally confused, but --

8 COUNCILMAN CLARKE: I mean, as,
9 we all are, a person who is very
10 interested in Trust Fund dollars,
11 particularly given that the initial
12 commitment by the Administration was
13 reduced from the 3 million to zero, if we
14 can get both bills passed, but sometimes
15 half a loaf is better than none. So from
16 my perspective, if the Administration is
17 prepared to support the \$30 requested
18 increase and support it in a way that
19 will allow the Harrisburg legislation to
20 pass, that would be very helpful to me.

21 MS. MCCOLLOCH: The
22 Administration is prepared to support
23 both the \$30 increase and send a letter
24 of support to Representative Taylor to
25 indicate the City's support for House

1 12/9/09 - FINANCE - BILL 090686, etc.

2 Bill 1646, or whatever the number is, his
3 bill.

4 COUNCILMAN CLARKE: And not
5 only Taylor, but --

6 MS. MCCOLLOCH: To whomever.
7 Whoever we need to send it to.

8 COUNCILMAN CLARKE: There are a
9 couple of key people that need to
10 understand what the City's position is.

11 MS. MCCOLLOCH: We're prepared
12 to send those letters stating the City's
13 position, yes.

14 COUNCILMAN CLARKE: Thank you.

15 COUNCILWOMAN TASCO: Councilman
16 Greenlee.

17 COUNCILMAN GREENLEE: Thank
18 you, Madam Chair.

19 I guess the question is more
20 for Councilman Clarke, and he kind of
21 partially answered it, because you used
22 the word "option" before. We're giving
23 the Administration an option. Now, are
24 you still advocating both bills?

25 COUNCILMAN CLARKE: Actually,

1 12/9/09 - FINANCE - BILL 090686, etc.
2 personally, my preference would have both
3 bills in play, with an understanding --
4 because the uncertainty of how the
5 Harrisburg process will end up, if
6 Harrisburg decides they don't want to
7 allow us to increase it by 30, but they
8 would allow us to redistribute the
9 existing amount, you know, I would like
10 to have us in a position to have that
11 option. But at the end of the day, we
12 can't pass either bill -- well, we can
13 pass both bills, but we can't implement
14 either bill until Harrisburg authorizes
15 it.

16 COUNCILMAN GREENLEE: So it's
17 possible if we pass both bills, even
18 though 49 may be the preference of the
19 Administration and maybe all of us, it's
20 possible Harrisburg may not allow us to
21 do that, which leaves 50 as the option
22 that we could do?

23 COUNCILMAN CLARKE: It's
24 possible, but the bill that
25 Representative Taylor has will allow us

1 12/9/09 - FINANCE - BILL 090686, etc.

2 to increase by \$30.

3 COUNCILMAN GREENLEE: But that
4 may not happen, right?

5 COUNCILMAN CLARKE: Well, it
6 was on a path to happen, but for some
7 reason -- there was actually a date
8 scheduled for the hearing, and for
9 whatever reason, it abruptly stopped.

10 COUNCILMAN GREENLEE: In
11 Harrisburg things got confused? I can't
12 believe it.

13 COUNCILMAN CLARKE: Yeah. I'm
14 a little surprised.

15 COUNCILMAN GREENLEE: Okay.
16 Thank you.

17 COUNCILWOMAN TASCO: Councilman
18 Green.

19 COUNCILMAN GREEN: Thank you.

20 I actually have several
21 questions for this witness, Councilman
22 Clarke. If you would please swear the
23 witness, Madam Chair, I want to make sure
24 we get the truth from him.

25 COUNCILMAN CLARKE: Absolutely.

1 12/9/09 - FINANCE - BILL 090686, etc.

2 COUNCILMAN GREEN: No. So
3 you'd like us to pass bills out so
4 they're both in play, so if it doesn't
5 get passed or the Administration doesn't
6 push the \$30 bill to your satisfaction,
7 Harrisburg, like use our lobbyists that
8 we just issued an RFP for, we have an
9 option. That's what you're saying?

10 COUNCILMAN CLARKE: That's
11 correct. Correct. I mean, personally, I
12 wouldn't push -- personally. Other
13 members there, and there are actually
14 other sponsors, one who is here,
15 Councilwoman Blackwell, may opt to try
16 and have both bills implemented.
17 Personally, if we were in a position
18 where we were able to get the \$30
19 increase for the Trust Fund, I would be
20 supportive of that particular bill and
21 not have the other bill pass. But I
22 think we should reserve the right to have
23 an option, because it may be a situation
24 where Harrisburg will only support the
25 redistribution and not the \$30 increase.

1 12/9/09 - FINANCE - BILL 090686, etc.

2 COUNCILWOMAN TASC0: Okay. Any
3 other questions?

4 (No response.)

5 COUNCILWOMAN TASC0: Thank you
6 very much.

7 Next will be Mr. White,
8 Philadelphia Association of CDCs.

9 (Witnesses approached witness
10 table.)

11 MR. WHITE: Good afternoon,
12 Madam Chair --

13 COUNCILWOMAN TASC0: Good
14 afternoon.

15 MR. WHITE: -- esteemed members
16 of the Committee. Thank you for the
17 opportunity to testify. I would ask that
18 I come with two of our members as a
19 panel. Any interest of expedience in
20 time, given the hour is late and upon us.

21 My name is James White and I'm
22 the Policy Coordinator of the
23 Philadelphia Association of CDCs. As an
24 Association of 80 affordable housing
25 developers and community development

1 12/9/09 - FINANCE - BILL 090686, etc.
2 practitioners, PACDC is pleased to come
3 before you today to address the issue of
4 expanding the Philadelphia Housing Trust
5 Fund.

6 As you're aware, Bill No.
7 090849 is the local companion ordinance
8 to the state authorizing legislation HB
9 1645 currently pending in the House
10 Appropriations Committee that would give
11 the City the option of whether to raise
12 its deed and mortgage recording fees to
13 support the Philadelphia Housing Trust
14 Fund.

15 Bill No. 090849 would do just
16 that by increasing these fees by \$30 and
17 dedicating this revenue to the Housing
18 Trust Fund. Depending on the real estate
19 market, this would generate an additional
20 \$3.5 or \$5.5 million per year for
21 affordable homes.

22 As Commissioner Decker
23 testified in May 2009, the recording fee
24 increase represents a very small portion
25 of the total settlement and closing

1 12/9/09 - FINANCE - BILL 090686, etc.
2 costs, and the financial impact is
3 minimal on new home buyers. Yet an
4 additional investment in the Philadelphia
5 Housing Trust Fund will positively impact
6 the housing market and help create
7 thousands of new housing opportunities
8 for families and individuals who are
9 struggling to hang on to their homes or
10 looking to invest in new homes in our
11 city.

12 The Housing Trust Fund is a
13 flexible source of funding to enable CDCs
14 and others to address a range of housing
15 needs, such as building new homes,
16 rehabilitating old ones and helping
17 homeowners make repairs and keeping
18 homeowners from facing foreclosure. In
19 addition, these investments create jobs,
20 strengthen the City's tax base, advance
21 neighborhood revitalization and save the
22 City millions annually in emergency
23 services.

24 There are numerous compelling
25 stories of how the Housing Trust Fund

1 12/9/09 - FINANCE - BILL 090686, etc.
2 resources have assisted families and
3 individual. As a first-time home buyer
4 who purchased their home rehabbed with
5 the support of the Housing Trust Fund put
6 it, Finally our dream has come true. I
7 knew it was attainable. I saw the home I
8 was going to get go from abandoned
9 through construction to how it actually
10 looked, and it was gorgeous. The feeling
11 you get from being a homeowner or saying,
12 I'm purchasing my own home or having the
13 option of owning my own home is an
14 unbelievable feeling, he said.

15 Or consider the homeless
16 veteran who moved into a transitional
17 housing facility supported by the Trust
18 Fund who stated, I want a place where I
19 can put the key in the door and say this
20 is mine, this is what I can take care of.
21 Hopefully we can walk out of here and
22 start brand new. People here have hope.

23 There are thousands of other
24 Philadelphians in neighborhoods that
25 would benefit from the expansion of the

1 12/9/09 - FINANCE - BILL 090686, etc.
2 resources of the Housing Trust Fund.
3 However, the demand for the Housing Trust
4 Fund resources far exceed the supply. In
5 response to the City's most recent
6 affordable housing RFP for the Trust Fund
7 and other federal resources, 49 proposals
8 were received requesting over 50 million
9 for production and preservation of
10 1,800-plus affordable homes, but they
11 were competing for a small amount of only
12 \$10 million that were available in funds.

13 In addition, there is the long
14 waiting list for home repair, and
15 increasing numbers of families are in
16 need of assistance from foreclosure and
17 homelessness prevention.

18 We urge the City Council and
19 the Nutter Administration to support Bill
20 No. 090849 as well as the state
21 authorizing legislation to restore
22 funding to the Philadelphia Housing Trust
23 Fund that was lost as a result of the
24 recent budget cuts and drop-off in the
25 real estate market.

1 12/9/09 - FINANCE - BILL 090686, etc.

2 We want to thank Councilman
3 Clarke for his undying leadership and
4 passion as well as the leadership of the
5 Committee on behalf of Philadelphians in
6 supporting affordable housing.

7 Thank you for your time.

8 COUNCILWOMAN TASC0: Thank you
9 for your testimony.

10 Next, sister.

11 MS. ENGLISH: Hello. My name
12 is Christina English and I'm a volunteer
13 for WCRP.

14 COUNCILWOMAN TASC0: Proceed
15 with your testimony.

16 MS. ENGLISH: I'm introducing
17 my name again because this is part of my
18 testimony.

19 Hello. My name is Christine
20 English and I am a single mother of a
21 beautiful four-month-old son. I am a
22 volunteer for WCRP. I am here today
23 because I know too well the struggles
24 that the people go through in
25 Philadelphia to find housing. Me and my

1 12/9/09 - FINANCE - BILL 090686, etc.
2 son are currently living in North Philly
3 with my mother. Before I had a son, I
4 worked at the Fashion Bug in Center City.
5 It was a good place to work, but I didn't
6 make enough money to live in any of these
7 regular houses in Philadelphia.

8 Every time I would look for a
9 place to live, I wouldn't have enough
10 money to give the security deposit and
11 first month's rent. People were asking
12 for over \$1,500 up front. I couldn't
13 afford that kind of money selling
14 clothes.

15 Since I quit my job to take
16 care of my baby, things have gotten even
17 worse. Now that I am looking for a job,
18 nobody is hiring. And with the money I
19 get from SSI, I can't afford high rent in
20 the City.

21 I have been on housing waiting
22 lists for over seven months now, but now
23 there's not enough affordable houses for
24 all the women with children like me who
25 need it.

1 12/9/09 - FINANCE - BILL 090686, etc.

2 Throughout the City, there are
3 thousands of families that are dealing
4 with these same problems. WCRP did a
5 Listening Project where we talked to
6 hundreds of people in our neighborhood.
7 More than seven out of every ten people
8 did not believe there was affordable
9 places in the neighborhood for their
10 families to live. That's because this
11 city needs over 60,000 more affordable
12 homes than it has. We have to do
13 something now.

14 Increasing funding for the
15 Philadelphia Housing Trust Fund will
16 allow organizations like WCRP to build
17 the affordable houses that this city
18 really needs. It will get people like me
19 off the waiting lists into homes we call
20 our own.

21 Thank you to Councilmembers
22 Clarke, Sanchez and Blackwell for
23 sponsoring a bill to make this happen.
24 We urge all the members of this committee
25 to vote for this bill.

1 12/9/09 - FINANCE - BILL 090686, etc.

2 Thank you.

3 COUNCILWOMAN TASC0: Thank you
4 so much for taking time to come out to
5 testify.

6 MS. ENGLISH: You're welcome.

7 COUNCILWOMAN TASC0: I
8 appreciate it.

9 Sister Majeedah.

10 MS. RASHID: Good afternoon,
11 Honorable Councilmembers and everyone
12 here with us today. I want to first
13 thank Council for allowing me to testify
14 with my colleagues today. My name is
15 Majeedah Rashid and I'm the Executive
16 Vice-President of the Nicetown Community
17 Development Corporation.

18 The Nicetown CDC was founded in
19 1999 and has worked diligently to
20 establish affordable housing development
21 in Nicetown and the surrounding
22 neighborhoods. For seven years, our
23 Nicetown CDC/NAC program has delivered an
24 array of OHCD-supported housing
25 assistance programs to low- and

1 12/9/09 - FINANCE - BILL 090686, etc.

2 moderate-income residents in a 12 census

3 tract area in Northwest Philadelphia.

4 The Nicetown CDC has been an active

5 member of the Philadelphia Association of

6 CDCs since 2002.

7 Nicetown, like a host of other

8 neighborhoods in Philadelphia, is often

9 overshadowed by grim statistics that

10 illustrate the gravity of the current

11 housing crisis. Like the rest of the

12 City, our neighborhood has one out of

13 five households that have to pay more

14 than they can afford on housing. CDCs

15 are challenged by the increased need for

16 affordable housing for homeownership, and

17 there is still a deficit of 60,000 units

18 of affordable rental housing.

19 The Nicetown CDC has a plan in

20 place that aims to stabilize and preserve

21 Nicetown's existing housing stock and

22 increase the number of units for

23 affordable homeownership and rental. We

24 began implementing phases of that plan in

25 2006, targeting the redevelopment of

1 12/9/09 - FINANCE - BILL 090686, etc.
2 existing housing along Nicetown's
3 commercial corridor and the residential
4 blocks that connect to it. Our housing
5 efforts have been funded with both public
6 and private funds, most notably the
7 City's Homeownership Rehab Program and
8 the Housing Trust Fund.

9 Our first affordable housing
10 development project was a challenge
11 because it involved two historically
12 significant properties. We had to do the
13 usual gut-rehab while preserving the
14 historic nature of the properties, which
15 resulted in numerous delays. Time is
16 money, and complying with the additional
17 requirements of the Historical Commission
18 proved extremely costly. Had it not been
19 for resources such as the Housing Trust
20 Fund, we would not have been able to
21 complete the development of these homes,
22 which now have brand new homeowners.

23 The properties are shining
24 examples of what can be done, and
25 represent the strength of the

1 12/9/09 - FINANCE - BILL 090686, etc.
2 neighborhood. The Nicetown CDC's
3 affordable housing development plans have
4 grown progressively over the years.
5 Today, we are in the pre-development
6 stage with our first green housing
7 construction for homeownership, and
8 Nicetown Court, a low-income housing tax
9 credit project funded by the Pennsylvania
10 Housing Finance Agency.

11 When complete, Nicetown Court
12 will yield 37 affordable rental units and
13 will establish nearly 4,000 square feet
14 of commercial space on the street level.
15 This \$15 million project was awarded 1.8
16 million in funds from the Philadelphia
17 Housing Trust Fund and has already begun
18 to leverage future affordable housing
19 developments in the area. This
20 substantiates and exceeds the statistic
21 that states every \$1 invested into
22 Housing Trust Fund yields a return of
23 over \$11 in leveraged funds for
24 affordable housing needs. This 11-to-one
25 ratio is an impressive return on

1 12/9/09 - FINANCE - BILL 090686, etc.
2 investment and makes the Housing Trust
3 Fund one of the most effective tools in
4 solving the City's dismal housing crisis.

5 These are just a few instances
6 which illustrate the productivity,
7 effectiveness and potential of the
8 Housing Trust Fund and how it has built
9 the capacity of CDCs like the Nicetown
10 CDC and others across the City. Its
11 flexibility enables us to address a full
12 range of housing needs, including
13 building new energy-efficient homes with
14 new construction or by rehabilitating and
15 preserving old ones. The Housing Trust
16 Fund also allows us to help homeowners
17 make repairs and improvements and assist
18 homeowners faced with foreclosure. The
19 City of Philadelphia recently released an
20 RFP for affordable housing which received
21 numerous responses that outnumbered
22 available resources by a ratio of five to
23 one. This depicts the critical need to
24 increase the level of funds dedicated
25 specifically to the Housing Trust Fund.

1 12/9/09 - FINANCE - BILL 090686, etc.

2 In conclusion, the Nicetown CDC
3 strongly encourages the City to expand
4 funding to the Philadelphia Housing Trust
5 Fund in response to the growing need for
6 affordable housing. We also urge the
7 City to support the legislation that has
8 been introduced by the state as well as
9 City Council to authorize the expansion
10 of funds.

11 Respectfully.

12 COUNCILWOMAN TASC0: Thank you
13 very much.

14 Are there any questions or
15 comments from the Committee?

16 (No response.)

17 COUNCILWOMAN TASC0: Thank you
18 all for coming in. As usual, you're on
19 target. We appreciate your taking the
20 time to come testify.

21 MR. WHITE: One more thing, if
22 I may, Madam Chair. We had a number of
23 members who could not be here today
24 because of other commitments, who
25 submitted written testimony, and we do

1 12/9/09 - FINANCE - BILL 090686, etc.

2 ask the Committee, in their due diligence

3 as always in their work effort, to peruse

4 and review their testimonies as well.

5 Thank you for your time.

6 COUNCILWOMAN TASC0: Thank you.

7 Their testimony probably has been

8 circulated and it will become part of the

9 permanent record of this committee.

10 Thank you.

11 MR. WHITE: Thank you.

12 COUNCILWOMAN TASC0: Next is

13 Jennifer Rodriguez.

14 MR. WHITE: She submitted

15 written testimony.

16 COUNCILWOMAN TASC0: Okay.

17 MR. WHITE: She had an RDA

18 Board meeting.

19 COUNCILWOMAN TASC0: Is there

20 anyone else here to testify on this bill?

21 (No response.)

22 COUNCILWOMAN TASC0: Okay.

23 There being none, we will now move into

24 our public meeting.

25 The Chair recognizes

1 12/9/09 - FINANCE - BILL 090686, etc.

2 Councilwoman Blackwell to submit the
3 amendments for Bill 090686.

4 COUNCILWOMAN BLACKWELL: Thank
5 you, Madam Chair. I move that the
6 amendment to Bill No. 090686 be adopted.

7 (Duly seconded.)

8 COUNCILWOMAN TASC0: It has
9 been moved that the amendment to Bill
10 090686 be adopted.

11 All in favor will say aye.

12 (Aye.)

13 COUNCILWOMAN TASC0: Is there
14 any opposition?

15 (No response.)

16 COUNCILWOMAN TASC0: There
17 being none, this motion is carried.

18 Now I call on Councilwoman
19 Blackwell to report Bill 090686 out of
20 committee.

21 COUNCILWOMAN BLACKWELL: Thank
22 you, Madam Chair. I move that Bill No.
23 090686, as amended, be reported out of
24 committee with a favorable recommendation
25 and also a recommendation that the rules

1 12/9/09 - FINANCE - BILL 090686, etc.
2 of Council be suspended so as to permit
3 consideration at our next session of
4 Council.

5 (Duly seconded.)

6 COUNCILMAN GREEN: I'd like to
7 talk on this bill for a second.

8 COUNCILWOMAN TASC0: Sure.

9 COUNCILMAN GREEN: I'd just
10 like the record to reflect the hard work
11 of my colleague, Maria Quinones-Sanchez,
12 on this matter. Since the beginning of
13 2008, she has been talking with the
14 Administration and trying to get them to
15 put in place a tax amnesty program, and
16 we were pleased to support -- I know she
17 was pleased to support Councilwoman
18 Krajewski once a bill was put forward on
19 this issue. But this has been something
20 that she's been pushing for several
21 years.

22 She couldn't be here. I wanted
23 to have the record acknowledge that.

24 COUNCILWOMAN TASC0: Okay.

25 Thank you. The record will reflect your

1 12/9/09 - FINANCE - BILL 090686, etc.
2 acknowledgment to Councilwoman Sanchez.

3 Any other comments or
4 discussion on this bill?

5 (No response.)

6 COUNCILWOMAN TASC0: We now
7 call for a vote.

8 Bill 090686 -- I call for a
9 vote. I lost where I was.

10 All in favor of Bill 090686
11 will say aye.

12 (Aye.)

13 COUNCILWOMAN TASC0: Is there
14 any opposition?

15 (No response.)

16 COUNCILWOMAN TASC0: There
17 being none, the motion is passed that
18 Bill 090686 will be reported out of
19 committee with a favorable recommendation
20 and a request for the suspension of the
21 rules so that this bill can be heard at
22 Council's next session.

23 All in favor will say aye.

24 (Aye.)

25 COUNCILWOMAN TASC0: Thank you.

1 12/9/09 - FINANCE - BILL 090686, etc.

2 The Chair recognizes

3 Councilwoman Blackwell to report Bill

4 090849 out of committee.

5 COUNCILWOMAN BLACKWELL: Thank

6 you, Madam Chair. I move that Bill No.

7 090849 be reported out of committee with

8 a favorable recommendation and also that

9 the rules of Council be suspended so as

10 to permit consideration at our next

11 session.

12 (Duly seconded.)

13 COUNCILWOMAN TASC0: It has

14 been moved and seconded that Bill 090849

15 be reported out of committee with a

16 favorable recommendation and that the

17 rules of Council be suspended so this

18 bill can be heard at Council's next

19 session.

20 All in favor?

21 (Aye.)

22 COUNCILWOMAN TASC0: Any

23 opposition?

24 (No response.)

25 COUNCILWOMAN TASC0: There

1 12/9/09 - FINANCE - BILL 090686, etc.

2 being none, the motion is carried.

3 The Chair recognizes

4 Councilwoman Blackwell regarding Bill

5 090850.

6 COUNCILWOMAN BLACKWELL: Thank

7 you, Madam Chair. I move that Bill No.

8 090850 be reported out of committee with

9 a favorable recommendation and also a

10 recommendation that the rules of Council

11 be suspended so as to permit

12 consideration at our next session of

13 Council.

14 (Duly seconded.)

15 COUNCILWOMAN TASC0: It has

16 been moved and seconded that Bill 090850

17 be reported out of committee with a

18 favorable recommendation and that the

19 rules of Council be suspended so this

20 bill can be considered at Council's next

21 session.

22 All in favor?

23 (Aye.)

24 COUNCILWOMAN TASC0: Is there

25 any opposition?

1 12/9/09 - FINANCE - BILL 090686, etc.

2 (No response.)

3 COUNCILWOMAN TASC0: There

4 being none, the motion is carried.

5 This will call for the

6 adjournment of this committee. Thank you

7 all very much.

8 (Committee on Finance concluded

9 at 3:10 p.m.)

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CERTIFICATE

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I HEREBY CERTIFY that the

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certifying reporter.)

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