

1
2 COUNCIL OF THE CITY OF PHILADELPHIA
3 PUBLIC HEARING AND PUBLIC MEETING
4 BEFORE THE COMMITTEE ON LAW AND GOVERNMENT

5 - - -
6 Wednesday, 5/15/02
7 2 p.m.
8 Room 696, City Hall
9 Philadelphia, PA
10 - - -

11 BILL 020255 - Submission to the qualified electors
12 of Philadelphia of an amendment to the Philadelphia
13 Home Rule Charter relating to the creation,
14 appointment, powers, and duties of an independent
15 Philadelphia Tax Reform Commission.

16 RES. 020264 - Proposing an amendment to the
17 Philadelphia Home Rule Charter to provide for the
18 creation, appointment, powers, and duties of a
19 Philadelphia Tax Reform Commission.

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23 PRESENT: COUNCILMAN DAVID COHEN, Chairman
24 COUNCILMAN W. WILSON GOODE, JR.
25 COUNCILMAN RICHARD T. MARIANO
COUNCILMAN MICHAEL A. NUTTER
COUNCILMAN FRANK RIZZO

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3 COUNCILMAN COHEN: The Committee on Law
4 and Government is now in session for the purpose of
5 taking action on an ordinance and a resolution
6 regarding the creation of a Tax Reform Commission.

7 I'm going to ask the clerk of the
8 committee, Tim Kearney, to read the titles of the
9 two matters before us; they are related.

10 THE CLERK: Thank you, Chairman Cohen.

11 Bill No. 020255, an ordinance providing
12 for the submission to the qualified electors of the
13 City of Philadelphia of an amendment to the
14 Philadelphia Home Rule Charter relating to the
15 creation, appointment, powers, and duties of an
16 independent Philadelphia Tax Reform Commission, as
17 approved by resolution of the City Council; fixing
18 the date of a special election for such purpose;
19 prescribing the form of ballot questions to be
20 voted on; and authorizing the appropriate officers
21 to publish notice and to make arrangements for the
22 special election.

23 Also Resolution No. 020264, a
24 resolution proposing an amendment to the
25 Philadelphia Home Rule Charter to provide for the

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2 creation, appointment, powers, and duties of a
3 Philadelphia Tax Reform Commission, and providing
4 for the submission of the amendment to the electors
5 of Philadelphia.

6 COUNCILMAN COHEN: Both the bill and
7 the resolution are sponsored by Councilman Nutter
8 and cosponsored by many members of City Council,
9 clearly a vast majority of them.

10 Councilman Nutter, is there any
11 statement you'd like to make at the outset of the
12 hearing?

13 COUNCILMAN NUTTER: No, Councilman,
14 thank you. We should just get started. Thank you.

15 COUNCILMAN COHEN: All right. Who
16 would be the first witness?

17 COUNCILMAN NUTTER: There are primarily
18 three witnesses. There's Greater Philadelphia
19 Chamber of Commerce, Urban Leadership Council, and
20 GPF, which --

21 COUNCILMAN COHEN: Are they going to
22 testify?

23 COUNCILMAN NUTTER: Well, there's
24 written testimony from GPF that's going to be into
25 the record.

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2 COUNCILMAN COHEN: All right, well, is
3 the Chamber of Commerce first?

4 COUNCILMAN NUTTER: Yes.

5 (Witness comes forward.)

6 MS. EARLEY: Good afternoon.

7 COUNCILMAN COHEN: Good afternoon.

8 Please identify yourself for the record.

9 MS. EARLEY: Good afternoon, Chairman
10 Cohen and other members of the Committee on Law and
11 Government. For the record, I am Denise Earley,
12 Director of Public Policy for the Greater
13 Philadelphia Chamber of Commerce.

14 I come before this committee today in
15 support of Bill 020255 and Resolution 020264
16 placing a referendum on the November ballot,
17 amending the Home Rule Charter to create a Tax
18 Reform Commission and an Advisory Committee.

19 As you know, the Chamber was very
20 successful in putting together a tax reform
21 coalition over the past few months that cut across
22 all walks of life. The diversity of the coalition
23 sent a strong message that the regressive tax
24 structure of this city adversely affects everyone
25 and is in dire need of repair.

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2 I would like to commend the City
3 Controller for the extensive work that he and his
4 competent staff did on this issue and for the
5 comprehensive report that City Controller Jonathan
6 Saidel released in November 2001. This report, in
7 conjunction with David Thornburg's fine work on
8 behalf of the Pennsylvania Economy League, lays the
9 foundation for major tax reform in this city.

10 While the Chamber is pleased to see all
11 of the attention surrounding the need for tax
12 reform, we do have a few concerns. The Chamber
13 supports the formation of a Tax Reform Commission,
14 but only if we can be assured that it will in no
15 way act as an impediment to timely, meaningful tax
16 reform. Reform measures should not have to wait
17 until after an election for us to restore our
18 competitiveness.

19 In addition, a 15-member commission may
20 prove to be a little unwieldy in forming consensus
21 in a timely manner. The proposed 13-member
22 advisory committee, which is entrusted with
23 providing technical, economic, and public-policy
24 advice to the Commission, brings this body to a
25 bulging 28-member entity. Although I realize the

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2 intent of this broad makeup is to make a place at
3 the table for all interested parties, I do have
4 some trepidation in the overall size and feel that
5 you should look at downsizing the composition of
6 this body.

7 Another area of concern is that this
8 commission is to be charged with evaluating
9 Philadelphia's current tax structure and developing
10 recommendations which should enhance and improve
11 Philadelphia's ability to compete with other
12 jurisdictions in the region and throughout the
13 nation in attracting new residents, businesses, and
14 jobs, and in retaining current residents,
15 businesses, and jobs. Then we should also be
16 charged with making recommendations and identifying
17 ways to pay for those recommendations.

18 Absent the ability to make
19 recommendations, the Commission loses its
20 credibility. Essentially, the Commission could
21 recommend to eliminate all taxes, since in its
22 current form, it is not empowered to make
23 recommendations related to expenditure reductions,
24 municipal government cost savings, or municipal
25 government service reductions to offset any

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2 potential revenue reduction which may result in the
3 implementation of any recommendations set forth in
4 the Commission's report.

5 Finally, the appointment with fixed
6 compensation of an executive director to the
7 Commission is questionable. Bearing in mind that
8 we should be about reducing expenses and headcount
9 so that we can reduce taxes, I'm not sure that it
10 is wise to add another tier of expense to the
11 City's operating budget.

12 In closing, I reiterate the Chamber's
13 strong support for the Tax Reform Commission. The
14 Chamber intends to keep our tax reform coalition
15 together and strong and very involved in all
16 matters concerning taxation and fiscal stability in
17 the City.

18 Thank you very much for this
19 opportunity.

20 COUNCILMAN COHEN: Thank you very much.
21 Are there any questions of the witness
22 by members of the committee?

23 COUNCILMAN NUTTER: Just a --

24 COUNCILMAN COHEN: Councilman Nutter?

25 COUNCILMAN NUTTER: Not so much a

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2 question, Mr. Chairman.

3 I did want to -- and I have had an
4 opportunity to read the testimony and appreciate
5 the support. I understand the serious issues that
6 have been raised and, as you well know from our
7 previous experiences, putting together these kinds
8 of matters at times can be rather complicated with
9 numerous interests and issues that need to be
10 addressed and accommodated in the most delicate
11 fashion.

12 We're very sensitive to the concerns.
13 I think ultimately -- I mean, I and many members of
14 Council, still possibly in a naive fashion, but
15 still have a general belief that if you ask
16 responsible people to take on a serious and
17 important job, that at the end of the day, you
18 should be able to count on their responsible nature
19 and the credibility of their position, their
20 citizenry here in the City, hopefully the support,
21 if not direction, by the voting public here that
22 they want something to happen, and that all of our
23 collective feet, if you will, will be kept to the
24 fire to make sure that this is not an exercise for
25 the purpose of exercising, that we do expect a

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2 legitimate product to come out of this.

3 There were concerns about the size. At
4 one point in time, there were 31 people on the
5 list; now the proposal is 15. And there have been
6 other suggestions about size. I'm not exactly sure
7 what the right size is but, you know, 15, you know,
8 seems to be rather reasonable.

9 It's a fair amount of work here, and at
10 the same time, we're not expecting them to reinvent
11 the wheel. There's a lot of resource out here that
12 they can take advantage of and not start from
13 infancy on tax reform.

14 Let me also lastly say that we strongly
15 felt that, again, given our last experience, that
16 tax reduction is different from tax reform, that
17 there are a number of proposals to reduce our
18 taxes. We are trying to get to a larger issue of
19 the nature of the structure of our taxes: Why do
20 we have what we have; why are the rates what we
21 are; but also, should we also have the vast array
22 of confusing and almost dizzying schemes of taxes
23 that we have, and we know that other jurisdiction
24 nearby and far away have different structures than
25 we do, many of whom benefit from their structure.

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2 They have a tax environment that encourages people
3 to come and live in those locales. They may also
4 have weather considerations over us, but if you put
5 it just on a tax-structure basis, we should
6 certainly not be in a deficiency position or at a
7 disadvantage, both for people to work here, to live
8 here, or for companies to come here.

9 And at the end of the day, I think all
10 of us want to have more jobs for more people. To
11 the extent that we may benefit from those taxes,
12 the City overall is a better place to be.

13 Lastly, in the resolution, which really
14 is the heart and soul of this, there is a specific
15 provision which I'd like to point out. It is the
16 last provision in this document and it reads:
17 "Nothing in this section shall be construed to
18 prevent any member of Council or the Mayor from
19 proposing, enacting or, approving at any time any
20 bill relating to taxes or tax reform."

21 And the specific purpose for that is
22 that if somehow, some way, there's an idea maybe
23 whose time has come, whose time is even before or
24 during the creation of this, hopefully the creation
25 of this commission, that the business of the

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2 government is ongoing -- it is 24 hours a day, 7
3 days a week -- and that none of our rights to do
4 what we do for a living are impeded in any way,
5 shape, or form, and should not be negated by the
6 proposed creation of the Tax Reform Commission.

7 People pay their taxes every day, and
8 the to the extent that we can do something about
9 it, if that opportunity arises and we can do it in
10 a way that doesn't send the City into a fiscal
11 turmoil, then we should go forward, and that's the
12 reason for that particular provision.

13 Thank you again for the testimony, and
14 I think that we should be pushed to do our jobs.

15 MS. EARLEY: Thank you, Councilman.

16 COUNCILMAN COHEN: Thank you very much.

17 Next witness? Is the reverend from the
18 Urban League here?

19 (Witness comes forward.)

20 REVEREND EDWARDS: Yes.

21 COUNCILMAN COHEN: Please speak as
22 closely to the microphone as you can and state your
23 name and organizational affiliation.

24 REVEREND EDWARDS: Good afternoon,
25 Mr. Chairman. I am Reverend Bruce M. Edwards, and

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2 I am the President of the Urban Leadership Council.

3 COUNCILMAN COHEN: It's a pleasure to
4 have you here, sir.

5 REVEREND EDWARDS: Thank you, sir.
6 It's a pleasure to be here.

7 I did submit this testimony, so I'll
8 try to paraphrase as I move forward.

9 (Copy of Reverend Edwards'
10 written testimony not provided to
11 stenographer for attachment hereto.)

12 REVEREND EDWARDS: And in light of what
13 Councilman Nutter just stated, we'll try to be
14 supportive of what he said as we are trying to be
15 supportive of this entire matter of establishing a
16 Tax Reform Commission, doing that by a vote of the
17 citizens of this city come November.

18 One of the great things that occurred
19 not that long ago in this room was something that
20 Denise early just mentioned, and that was the
21 formulation of a coalition of people that was
22 brought together under the leadership of the
23 Chamber of Commerce. But it was more than just a
24 coalition of people that was brought together; it
25 was the kind of people that was brought together,

2 and it was the intensity of the mission that those
3 people found themselves to be involved in.

11 The entire question of what we're going
12 to do about taxes and the reformation of taxes is
13 linked to everything else that we talk about
14 currently in our city. It's linked to neighborhood
15 blight, it's linked to economic development, it's
16 linked to crime. So the whole idea of reforming
17 the tax structure of the City is at the core of all
18 of these other things that we hear talked about by
19 you and others on a daily basis.

25 We've been working along with others,

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2 with the City Controller's office and his good
3 people there, on the whole question of land-value
4 tax as opposed to the current property tax
5 structure in the city. Why would community people
6 be involved in an issue such as this. Well, it's
7 very simple, and I'll reiterate what I just said.

8 When we talk about reclaiming
9 neighborhoods, when we talk about economic
10 development, when we talk about crime, if we don't
11 talk about what the root causes of our problems
12 are, then we're not in real good position to have a
13 positive impact on them.

14 We support very strongly what is going
15 on over in the City Controller's Office. He is
16 moving forward in a positive manner, he has formed
17 a committee, and we're working with that committee
18 to begin to try to make plain and say in clear
19 language what the benefits of having a land-value
20 tax would be to the citizens of this city.

21 And so we support all of those kinds of
22 things and we support this commission, but we
23 support it with some reluctance. We certainly
24 support your bill, Mr. Chairman, when it comes to
25 helping poor people.

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2 But a commission, by its very nature
3 and by its structure, becomes too political, so
4 political that it has no real substance to it, that
5 it becomes a vehicle for stalling real progress, if
6 it becomes a vehicle for confusing the issue, if it
7 becomes a vehicle for someone to make political hay
8 on this side or cause confusion on that side.

9 If that begins to show -- and we will
10 follow this very, very carefully, we will study it
11 as it begins to move towards the ballot box, if you
12 pass it is. We're going to be watching this
13 because this is exactly what we don't need. We
14 don't need commissions; we need results, we need
15 action.

16 Studies are good, but studies must lead
17 us to an end result, and I think we've studied some
18 of the problems in this city until we all know what
19 the problems are, but are we bold enough to take
20 some action.

21 The tax structure of the City, along
22 with many other things, have put the City at a
23 disadvantage. Do we need to change the structure
24 of our Home Rule Charter to do something about
25 that, or can we just do something about that, if

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2 you follow where I'm trying to go here.

3 I do like when the Mayor decided and
4 the Police Commissioner that they were going to
5 tackle our obvious problems. I walk through my
6 neighborhood every day and I know where the drug
7 dealers were, I know where they are; they're
8 standing right in front of me. And I used to watch
9 the cops ride by and say, Well, don't they see 'em
10 too?

11 Well, how -- do we need to study that?
12 We don't have to study that -- do something about
13 it. It's obvious and it's obvious that we are at a
14 disadvantage as a city. We are hemorrhaging
15 population. I asked somebody the other day, could
16 they get me a figure on how many people are leaving
17 here every day? We just got a recent report that
18 25,000 people had left the City in 18 months, but
19 do we have a count on how many are leaving every
20 day?

21 So do we have time to -- as I said to
22 you once before time, do we have time to tinker and
23 play, or are we forced now to move to some real
24 action, politics be damned. To an extent -- and I
25 know you're the politicians, but it's gone beyond

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2 matters of mere politics, my friends. It is down
3 to the wire, it's where the rubber meets the road.
4 It cannot be talked about; it must be acted upon.
5 It cannot be studied; it must be executed.

6 You are brilliant people, you are smart
7 people, you have the tools, you are in the powerful
8 seats. You are the government, and it is time for
9 the government to take some action.

10 We understand the need for study. And,
11 again, we're not here to say that we're not in
12 support of this, but what we are here to say is
13 that it is a support that is a qualified support,
14 because at the end of the day, we need to see some
15 real action on what's going to happen to the taxes
16 that poor folk pay, as Councilman Cohen is trying
17 to do something about.

18 We need to see some real action on
19 what's going to happen with business taxes so that
20 businesses do come back to the City. We need to
21 see some real action of what's going to go on with
22 the real-estate taxes so that new homes can be
23 built at an affordable price and people will buy
24 them and stay here.

25 We need action; we don't need a study.

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2 You've studied these things, you've got your
3 reports from the federal, state and local level,
4 and I hear again that you're going to go to the
5 taxpayers, at a cost to the taxpayers; now, this
6 commission is going to cost something. So we're
7 going to spend money to hire people to do a study.

8 I have a problem with that. And I'm
9 very fond of Councilman Nutter, but I have a
10 problem with that. Is that really going to give us
11 what we need? It looks nice, but does it give us
12 what we need, which is, do something with the taxes
13 that are killing the city. That's what we need to
14 see happen, that's what we pray that will happen.

15 I don't know any plainer way, and I've
16 written my nice words and I never stick to 'em.
17 I've been preaching a long time and never look at
18 the scripts anymore; I just talk out of what I
19 believe in. And I seriously and firmly believe
20 that you mean good. I said this to Mr. Nevels and
21 those good people over there reforming our schools,
22 that I believe they mean good.

23 But if you're not going to deal with
24 the bottom line -- you can bring in all of your
25 wonderful educational models and you can bring in

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2 all of this stuff, but that's beyond the point at
3 this point. Do you have a way of reclaiming the
4 hearts and minds and soul of our children; that's
5 what I want to know, not your grand scheme, 'cause
6 that's not getting it.

7 And so I'm asking you, with the
8 establishment of a commission or a committee, is
9 that going to lead us to the place that we want to
10 get, where you'll be able to stand up and say to
11 the citizens of this city, We have done something
12 about the regressive and oppressive tax structure
13 that has killed our city.

14 That is the question I will leave you
15 with. I hate to get passionate -- no, I don't,
16 'cause I am passionate, but I just wanted to be
17 calm today because, again, we support the effort.
18 But I want you to understand that there are some
19 questions in our mind as to whether or not we can
20 do this without getting boggled down and are all
21 mixed up in political ramifications that often come
22 as a result of setting up, quote/unquote, a
23 commission.

24 COUNCILMAN COHEN: Well, we thank you
25 for your statement, and I think Councilman Mariano

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2 wishes to comment or ask you a question.

3 COUNCILMAN MARIANO: Thank you,
4 Councilman. No, I just want to be marked as
5 present, and I want to be marked as a speaking
6 meeting. I know we get marked now if we speak or
7 not.

8 I'm as passionate as you are, my
9 friend.

10 REVEREND EDWARDS: Yes, sir.

11 COUNCILMAN MARIANO: I don't say a lot
12 of things, and I get in trouble when I go off the
13 cuff like you do, just so you know.

14 But I'm here and I'm speaking, so do
15 note, those that watch us here, Mariano here, plus
16 I spoke.

17 Thank you.

18 COUNCILMAN COHEN: And we hope he
19 proves by his vote that he's also a man of action.

20 COUNCILMAN MARIANO: Yes, sir.

21 COUNCILMAN COHEN: And the women will
22 be women of action.

23 COUNCILMAN RIZZO: Point of
24 information.

25 COUNCILMAN COHEN: Councilman Rizzo.

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2 COUNCILMAN RIZZO: If Councilman
3 Mariano's in a meeting, he's speaking.

4 Thank you.

5 COUNCILMAN COHEN: Councilman Cohen.

6 COUNCILMAN NUTTER: Thank you.

7 Reverend, thank you very, very much, both for your
8 past activity with regard to taxes, your present
9 passion -- please maintain the passion.

10 We will not have accomplished our goal
11 by the creation -- if the voters approve it, the
12 creation of a tax reform commission. And at least,
13 again, speaking for myself, we will not have
14 accomplished our goal by even receiving the results
15 of what I would hope is a good, quality work
16 product.

17 I believe that the goal here is to
18 change the tax structure and tax environment of the
19 City of Philadelphia. We've asked maybe in a time
20 timeframe that's a little longer than many of us
21 would like, but there are, quite frankly, some
22 practical realities to some of the things that we
23 do, that we have a group of responsible people take
24 some time to take a look at these issues, many of
25 which have been studied before, many of which have

3 But I don't know that anyone has ever
4 recommended how we change our tax structure, say we
5 should lower our taxes. And, again, I would
6 emphasize that I think that there is a significant
7 difference between the two.

8 Our job and responsibility is to take
9 that information and, as you say, do something with
10 it. Change the structure, change the rates, make
11 something different happen. That is our role and
12 our responsibility. We take an oath for these
13 jobs, and I plan to uphold that oath, and I'm sure
14 my colleagues do as well.

15 We may disagree about what this rate
16 should be or what that rate should be or should we
17 keep that tax or should we not have that tax and
18 the other tax. And we also, as a result of, again,
19 of many of these discussions and negotiations,
20 there is a provision in the legislation that talks
21 about the need for a statewide tax reform, both
22 related to the property tax, which, the moment you
23 mention that, you know we're really talking about
24 education funding.

25 But also, many people do understand,

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2 and some may not, that if we are going to change
3 our tax structure, if we decide to eliminate "Tax
4 X" and create "Tax Y," we presently don't have the
5 authority to do that because ultimately, our taxing
6 authority comes from the Commonwealth of
7 Pennsylvania, of which we are an entity.

8 So even if we had a great idea and
9 wanted to get rid of one and change another or
10 create something new that was more fair, we would
11 also have to deal with the legislature and a
12 governor in Harrisburg, but I think if we have a
13 good work product that has wide views attached to
14 it and the political and personal relationships
15 that many other people bring to this process, at
16 that point, at the action point, I think that we
17 will have done something, and hopefully whatever we
18 do, is received in a positive fashion and lowers
19 the overall tax burden in Philadelphia.

20 There are many things that we would
21 want the City to be number one on. Having the
22 highest tax burden of any major city in the United
23 States of America is not one of them. We are
24 desperately trying to go to the bottom of that
25 list. There are some other lists we would like to

4 So we understand. We know that you
5 will be staying on us and watching us, and you
6 should, but my hope is that we put something
7 together that a majority of people can agree to,
8 and that understanding the concerns, there will be
9 the same enthusiasm that we had just within the
10 past month or so to encourage voters to support
11 this in November.

19 So I can only call on you and the
20 Chamber and many others and GPF and groups and
21 organizations who will be represented on the
22 advisory committee. They have to actually go out
23 and encourage people to support this. It doesn't
24 happen automatically and it's not by osmosis.

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2 and your watchful eye.

3 Thank you.

4 REVEREND EDWARDS: Yes, sir.

5 COUNCILMAN COHEN: Thank you very much,
6 Reverend Edwards.

7 A representative of Greater
8 Philadelphia First.

9 (Witness comes forward.)

10 MS. KAPLAN: Thank you, Councilman
11 Cohen, and thank you also for allowing GPF CEO Sam
12 Katz to have a few moments this morning to talk
13 about the Tax Reform Commission. And he did ask
14 that I stay this afternoon and read GPF's statement
15 that we've prepared.

16 For the record, I'm Ellen Maddleman
17 Kaplan, and I'm the Managing Director of Greater
18 Philadelphia First.

19 As everyone in this room knows, GPF is
20 a business and civic leadership organization
21 comprised of 53 of the region's major employers,
22 including businesses and nonprofit organizations
23 located within the City of Philadelphia and
24 suburban businesses that employ Philadelphia
25 residents.

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2 Just five weeks ago in this room, and
3 on a day that I think was a little bit hotter than
4 now, GPF testified before City Council to urge its
5 members to commit to ongoing wage tax reductions by
6 supporting Bill 020092. Two weeks later, GPF was
7 proud to stand with Councilman Nutter and
8 Councilman DiCicco, the sponsors of that bill,
9 Council President Verna and other Councilmembers as
10 Mayor Street signed that bill into law. It was, in
11 our view, an important moment for Philadelphia, one
12 that marked a citizen-driven commitment to a better
13 climate for jobs through lower taxes.

14 What Philadelphians told Council was
15 that wage-tax reductions, with accelerated cuts if
16 the economy improves, were indispensable to
17 Philadelphia's future growth and development. And
18 Council listened to and acted on that message.

19 Passing Bill 020092 is a significant
20 step in the right direction, but it is only another
21 step and certainly not the last one. Far more
22 aggressive tax relief and reform measures -- in
23 short, sharply lower taxes -- are necessary to
24 position the City as a competitor in the changing
25 economy. And that is why Greater Philadelphia

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2 First supports the creation of a Philadelphia Tax
3 Reform Commission.

4 We further applaud Councilman Nutter
5 and DiCicco and all members of City Council who
6 cosponsored the legislative proposals before the
7 committee today, for your resolve to explore every
8 possible avenue to enhance and improve the City's
9 ability to attract and retain residents,
10 businesses, and jobs. GPF is optimistic that your
11 perseverance and commitment will ultimately be
12 rewarded.

13 Let me caution, however, that this city
14 can ill afford to wait for the Tax Reform
15 Commission to provide answers, and the citizens who
16 were emboldened by the passage of Bill 92 will not
17 accept the prospect of Commission's future creation
18 as a reason for not acting now.

19 As the legislation is currently
20 drafted, the Commission is not likely to convene
21 until early 2003, assuming voter approval of the
22 amendment to the Home Rule Charter. In the
23 meantime, Councilmembers should continue on the tax
24 reform path you have already wisely embarked on.

25

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2 Given the breadth of its membership,
3 GPF has a regional focus: We strongly believe in
4 creating efficiencies in the service delivery and
5 structures and all local governments in
6 Southeastern Pennsylvania as a critical means to
7 growing what, unfortunately, has been a relatively
8 stagnant regional economy. At the same time, we
9 fully recognize that the City of Philadelphia faces
10 a uniquely disproportionate share of problems
11 without the jobs or the tax base to alleviate them,
12 and that its competition for those jobs and
13 residents is often just across the county line.

14 Through a careful and deliberative
15 assessment of the City's tax structure, all taxes
16 imposed in Philadelphia, the tax structure of the
17 Commonwealth that affects Philadelphia, and state
18 laws that authorize or limit Philadelphia's ability
19 to impose taxes, the Tax Reform Commission will
20 have an unprecedented opportunity to develop
21 long-term solutions.

22 GPF pledges its full support to the
23 Commission in this endeavor and is pleased that the
24 proposed legislation calls for a commission member
25 to be appointed by GPF. As an organization whose

1 5/15/02 LAW & GOV'T/BILL 020255, RES. 020264
2 members know full well the adverse impact that
3 decades of excessive municipal taxation have had on
4 their growth, employee recruitment, and retention,
5 and also on the business climate in this city, GPF
6 has a wealth of knowledge and experience to draw
7 upon in making its selection, and we are very much
8 looking forward to participating.

9 It is GPF's great hope that the
10 proposed legislation will be speedily enacted in
11 order to permit voter consideration at the earliest
12 opportunity. GPF commends this committee for
13 hastening that process for convening this hearing.

14 Thank you very much.

15 COUNCILMAN COHEN: Thank you.

16 Any questions from any members?

17 (No questions.)

18 COUNCILMAN COHEN: We thank you very
19 much for your statement.

20 Is there anyone else who wishes to be
21 heard?

22 (No response.)

23 COUNCILMAN COHEN: Are there any
24 witnesses, whether you've announced in advance or
25 not, who wish to be heard?

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2 (No more witnesses present.)

3 COUNCILMAN COHEN: This concludes the

4 -- I see no one responding to the invitation to

5 testify. This, therefore, will conclude the public

6 hearing.

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1 5/15/02 LAW & GOVERNMENT - PUBLIC MEETING

2 COUNCILMAN COHEN: And we will commence
3 the public meeting of the Law and Government
4 meeting with respect to considering the action to
5 be taken on the bill and on the resolution. A
6 quorum is present: Councilman Goode, Councilman
7 Blackwell, Councilman Mariano, Councilman Nutter,
8 Councilman Nutter, and the chairman, myself.

9 Councilman Nutter, do you have any
10 action to report?

11 COUNCILMAN NUTTER: Thank you,
12 Mr. Chairman.

13 Mr. Chairman, there are a couple
14 technical amendments that I wish to propose. The
15 amendments are being circulated.

16 The sum and substance of these
17 amendments is to add some groups and organizations
18 to the advisory committee. There are some language
19 issues related to the charge of the Commission, and
20 one of the provisions relates to access to certain
21 documents that may not be in the purview of the
22 Commission, what they have access to and what they
23 don't have access to.

24 What I'd like to do, without reading
25 them, is to first walk through the documents, say

1 5/15/02 LAW & GOVERNMENT - PUBLIC MEETING

2 what they are, and then read the actual amendments
3 into the record, if that's okay with the chairman.

4 COUNCILMAN COHEN: Please proceed.

5 COUNCILMAN NUTTER: On Page 2, as I
6 mentioned before, the Advisory Committee membership
7 is being increased, so naturally there's a striking
8 of one number and then the new number. All of the
9 proposed amendments are in bold and are
10 double-underlined.

11 There's a listing of additional groups
12 on Page 3.

13 There is a notice requirement and the
14 ability and the opportunity to participate in
15 Commission meetings specifically laid out for the
16 advisory committee on Page 4.

17 There is additional language with
18 regard to the charge of the Tax Reform Commission
19 on Page 5.

20 The language I mentioned, or the issue
21 I mentioned, with regard to disclosure, or the
22 sharing, of certain documents and information is on
23 Page 6.

24 A requirement that the Commission
25 consider recommendations of the Advisory Committee

1 5/15/02 LAW & GOVERNMENT - PUBLIC MEETING

2 is on Page 7.

3 Further distribution of the report, the
4 final report of the Commission to the Governor and
5 other legislative leaders is on Page 7.

6 And also a provision of the opportunity
7 for a minority report, should there be one, and a
8 requirement that the Commission publish, along with
9 its overall document, any minority report adopted
10 by three members of the Commission.

11 There is also proposed additional
12 language to the question, which is the Ordinance
13 020255.

14 And why don't I just -- why don't I now
15 just start reading into the record the proposed
16 amendments.

17

18 COUNCILMAN COHEN: Proceed.

19 COUNCILMAN NUTTER: The proposed
20 amendments to Bill 020255, the ordinance that would
21 put the ballot question on the ballot in November,
22 in the question itself, there is additional
23 language after -- on the fourth line, which starts
24 with "residents, workers, and businesses," insert
25 the phrase "in an equitable manner."

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2 And subsequent to that, in the next
3 paragraph, the insertion of the actual resolution
4 number, which is 020264, in the two places on the
5 front page.

6 In the resolution, 020264, the proposed
7 amendments are as follows:

8 On Page 2, Section 3-805, letter e,
9 strike the word "13" and insert the word "23."

10 On Page 3 is a listing of additional
11 groups. Those groups are the Director of Action
12 Alliance of Senior Citizens of Greater
13 Philadelphia, the Director of Asian-Americans
14 United, the Director of Community Legal Services,
15 the President of the Board of the Consumer
16 Education and Protective Association, the Director
17 of the Keystone Research Center, the President of
18 the National Congress of Puerto Rican Rights, the
19 director of the Parents Union, the Director of
20 Philadelphia NOW, (National Organization for
21 Women), the Director of the Philadelphia
22 Unemployment Project, the Director of the Tenant
23 Action Group.

24 Let me make two other corrections,
25 which are technical in nature, which you do not

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2 have in front of you.

3 Back to Page 2, letter d. Technically,
4 the North Philadelphia Chamber of Commerce has an
5 executive director, not a president. So strike
6 "president," insert "executive director."

7 And the Greater Philadelphia First does
8 not technically have a president; it has a chief
9 executive officer. Strike "president" and insert
10 "chief executive officer."

11 I apologize that I just remembered
12 those, and I apologize for not including them.

13 On Page 4, Section 4-900 under "Powers
14 and Duties," the fourth line, after the sentence
15 that reads "Meet at least monthly at such times and
16 at such places as determined by the Commission."
17 insert new sentence: "Members of the Advisory
18 Committee shall be provided notice of all meetings
19 of the Commission in the same manner as notice is
20 provided to members of the Commission, and shall be
21 to attend all such meetings."

22 Page 5, basically the middle of the
23 page, the sentence that starts "Extent of the rate
24 of the tax may be decreased in a fiscally..."
25 Insert "and socially."

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2 Fifth line from the bottom of Page 5,
3 the sentence that begins "Businesses and jobs and
4 retaining current residents, businesses, and
5 jobs..." Insert the sentence "The Commission's
6 work shall also be guided by the principle of tax
7 fairness and tax equity in apportioning tax
8 burdens."

9 Page 6, the middle of the page, the
10 sentence that starts "Related to revenues," strike
11 "and expenditures," continue with "taxes," strike
12 the comma, insert the word "or," continue with "tax
13 policy," strike the phrase "or the City budgeting
14 process," continue with "requested by the
15 Commission," insert "except documents, the
16 non-disclosure of which is legally privileged or
17 which have been prepared for or by the Law
18 Department for use in actions or proceedings to
19 which the City is or may be a party, and..."

20 In letter b at the bottom of Page 6,
21 strike the fraction 2/3 and insert the word
22 two-thirds.

23 At the top of Page 7, after the word
24 "businesses," insert the sentence, "The commission
25 shall also consider recommendations made by the

1 5/15/02 LAW & GOVERNMENT - PUBLIC MEETING

2 Advisory Committee in the development of its
3 report."

4 Middle of the paragraph, the sentence
5 that starts with "The Commission shall also provide
6 copies of its report to..." Insert "the Governor,
7 continue the president pro tem of the senate," and
8 insert "the Majority Leader of the Senate," and
9 continue with "the Minority Leader of the Senate,
10 the Speaker of the House of Representatives" and
11 insert "the Majority Leader of the House of
12 Representatives."

13 Last sentence on the bottom of Page 7,
14 after the sentence that beginning "Revenue change,
15 if any, resulting from such recommendation..."
16 insert the sentence "The Commission shall also
17 publish and distribute with its report any minority
18 report adopted by three or more members of the
19 Commission."

20 Mr. Chairman, those are the proposed
21 amendments to Resolution No. 020264 and Bill No.
22 020255.

23 First, Mr. Chairman, I would just ask
24 if there are any questions on those proposed
25 amendments?

1 5/15/02 LAW & GOVERNMENT - PUBLIC MEETING

2 COUNCILMAN COHEN: Are there any
3 questions from members of the committee with
4 respect to any of the amendments?

5 (No questions.)

6 COUNCILMAN COHEN: It's clear the
7 amendments are technical in nature. Few are
8 substantive and those that are substantive seem
9 aimed at inclusion rather than exclusion and making
10 as many significant groups as possible part of the
11 process, and if they can't be all at the table, at
12 least get them as close as possible to the table.
13 And I commend Councilman Nutter for working on this
14 bill, for his efforts.

15 Any questions any comments?

16 (No response.)

17 COUNCILMAN COHEN: If not, do you have
18 any action you would recommend?

19 COUNCILMAN NUTTER: Yes, Mr. Chairman.
20 Mr. Chairman, I would move the adoption of the
21 amendments to Bill No. 020255.

22 COUNCILMAN COHEN: Is there a second?

23 (Duly seconded.)

24 COUNCILMAN COHEN: Any discussion of
25 the amendments?

1 5/15/02 LAW & GOVERNMENT - PUBLIC MEETING

2 (No response.)

3 COUNCILMAN COHEN: If not, all those in
4 favor, please say aye.

5 Any opposed?

6 COUNCILMAN GOODE: No.

7 COUNCILMAN COHEN: Okay, Councilmember
8 Goode.

9 The amendments are adopted.

10 The next motion?

11 COUNCILMAN NUTTER: Okay, thank you,
12 Mr. Chairman.

13 I move the adoption of Bill No. 020255,
14 as amended with -- right, I'm sorry, I've done this
15 a couple of times.

16 I move the adoption of Bill 020255, as
17 amended, and a further recommendation to suspend
18 the rules of Council so as to permit first reading
19 at our next session of Council.

20 (Duly seconded.)

21 COUNCILMAN COHEN: Any discussion?

22 (No discussion.)

23 COUNCILMAN COHEN: If not, all those in
24 favor of the motion to amend, please say aye.

25 Any opposed?

1 5/15/02 LAW & GOVERNMENT - PUBLIC MEETING

2 (None opposed.)

3 COUNCILMAN COHEN: Hearing no nays, the
4 motion is adopted.

5 COUNCILMAN NUTTER: Thank you.

6 COUNCILMAN COHEN: And the bill will be
7 reported out, as amended, together with the request
8 of the committee to have the bill read as a first
9 reading at its next session on Thursday.

10 COUNCILMAN NUTTER: All right.
11 Mr. Chairman, I move the adoption of the amendments
12 to Resolution No. 020264.

13 COUNCILMAN COHEN: Is there a second?
14 I second that amendment.

15 Any discussion?

16 (No discussion.)

17 COUNCILMAN COHEN: If not, all in favor
18 will say aye.

19 Those opposed?

20 COUNCILMAN GOODE: No.

21 COUNCILMAN COHEN: One no. The record
22 will reflect that Councilmember Goode voted no on
23 the amendment.

24 The amendment is adopted.

25 COUNCILMAN NUTTER: Mr. Chairman, I

1 5/15/02 LAW & GOVERNMENT - PUBLIC MEETING

2 move that Resolution No. 020264, as amended, be
3 reported out of this committee with a favorable
4 recommendation and a further recommendation that
5 rules of Council be suspended so as to -- well --

6 COUNCILMAN COHEN: To have its first
7 reading?

8 COUNCILMAN NUTTER: It actually only --
9 it only gets one reading. I'm sorry. I'm on
10 automatic pilot. Just to move it out of committee
11 so that it can be heard at our next session of
12 Council.

13 (Duly seconded.)

14 COUNCILMAN COHEN: It's seconded.

15 Any discussion on the motion?

16 (No discussion.)

17 COUNCILMAN COHEN: If not mall those in
18 favor, please say aye.

19 Any nays?

20 (None opposed.)

21 COUNCILMAN COHEN: The ayes have it
22 unanimously, and the resolution is adopted.

23 COUNCILMAN NUTTER: Thank you.

24 COUNCILMAN COHEN: There being no
25 further business before the committee, the

1 5/15/02 LAW & GOVERNMENT - PUBLIC MEETING

2 committee stands in recess -- is adjourned.

3 (Committee proceedings end at

4 2:48 p.m.)

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RE: Bill 020255, Res. 020264

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Josephine Cardillo

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