COUNCIL OF THE CITY OF PHILADELPHIA

COMMITTEE ON FINANCE

Room 400, City Hall
Philadelphia, Pennsylvania
Monday, December 3, 2012
2:25 p.m.

PRESENT:
COUNCILMAN BILL GREEN, CHAIR
COUNCILWOMAN JANNIE BLACKWELL
COUNCILMAN W. WILSON GOODE, JR.
COUNCILMAN WILLIAM K. GREENLEE
COUNCILMAN CURTIS JONES, JR.
COUNCILMAN DENNIS O'BRIEN
COUNCILWOMAN BLONDELL REYNOLDS BROWN
COUNCILMAN MARK SQUILLA

BILL 120822 - An ordinance amending Title 19 of The Philadelphia Code, entitled "Finance, Taxes and Collections," by changing the interest rate and penalty rate for unpaid taxes...

BILL 120823 - An ordinance amending Chapter 19-500 of The Philadelphia Code, entitled "Taxes and Rents - General," by changing the allocation of delinquent payments...

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COUNCILMAN GREEN: Good afternoon. The Finance Committee shall come to order. We have a hearing on two bills, 120822 and 120823.

I note the presence of a quorum in the presence of Councilmembers Blackwell, Goode, Greenlee, and O'Brien, and I ask the Clerk to please read the title of the bills.

THE CLERK: Bill No. 120822, an ordinance amending Title 19 of The Philadelphia Code, entitled "Finance, Taxes and Collections," by changing the interest rate and penalty rate for unpaid taxes; and by making clarifying amendments concerning the suspension or tolling of various statutes of limitations; all under certain terms and conditions.

Bill No. 120823, an ordinance amending Chapter 19-500 of The Philadelphia Code, entitled "Taxes and Rents - General," by changing the allocation of delinquent payments, under certain terms and conditions.

COUNCILMAN GREEN: Thank you. I understand that it is okay with the Administration to accept a testimony of the person testifying for the PICPA. So I'd ask them to come forward.

(Witnesses approached witness table.)

COUNCILMAN GREEN: Good afternoon, gentlemen.

(Good afternoon.)

COUNCILMAN GREEN: It's good to see you again. Please state your name for the record and proceed with your testimony.

MR. HORNICK: Thank you. It's also good to see you all.

I think this afternoon we're going to start with our discussion with Bill 120822, but before we do, some introductions.

Matt, would you like to start.

MR. MELINSON: Sure.

Matt Melinson. I'm a partner

with Grant Thornton, an estate and local tax practice.

MR. HORNICK: And I'm Bob Hornick. I'm with Hornick and Associates, LLC and I'm Chairman of the Committee on Legislation and Local Taxes for the PICPA.

Matt, your role and some of the other connections with the City.

MR. MELINSON: Well, are we on the record?

COUNCILMAN GREEN: Please proceed with your testimony.

MR. MELINSON: Okay. Just for background for the -- and mostly Councilmembers would hopefully know, be somewhat familiar at least with the Pennsylvania Institute of CPAs, but for perspective, we represent about 21,000 members statewide. About 10,000 of those are in the Greater Philadelphia and basically in the five-county area here. We obviously serve a lot of clients, businesses, individual taxpayers, many of

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whom pay City of Philadelphia taxes in various forms. So thank you for the opportunity to come and testify today.

For general background, I'm not going to, in the interest of your time, we won't go through the testimony. We provided you with written copies. The general gist of this, from my perspective, is this has been in discussions in terms of what should we do for many years. I can speak to at least about 15 to 20 years worth of that.

I served on Mayor Nutter's Tax Policy Committee in 2009. I've served on Commissioner Richardson's and his predecessor, Commissioner Kammerdeiner's Advisory Committee for the last 12 years or so.

This is one where I have the benefit of attending and presenting at a lot of national conference in the field of state and local taxation, and Philadelphia often gets a black eye for a number of reasons in the tax area. One of these isolated reasons we're dealing with the bills today here is in the interest and penalty area.

The interest and penalty is, in short, far higher than the norm around the United States of America, far higher than the federal norm, the Commonwealth of Pennsylvania, and possibly everywhere, but definitely the overwhelming majority of state and local taxing jurisdictions throughout the country.

So the first bill here, 120822, which would take the 12 percent interest rate -- and you guys know what it would be like to get a loan these days or what the current market interest rate is. Twelve percent is not an accurate reflection of the current market interest rate, is the general gist here.

So the concept of bringing this down, I think the proposal is the federal short-term rate plus five, one could opine that that's even slightly high, but it's certainly a heck of a lot better than where you are. It also allows for fluctuations. If you go back to the Jimmy Carter era potentially here and the rates go higher, it builds in some protection for the City to take it higher, and there's an element of reasonable fairness around that rate, certainly relative to where we are today from an interest perspective.

Bob, anything you want to add?

MR. HORNICK: I agree. I think everyone agrees here that our rates in Philadelphia are much too high. And I guess at one time perhaps that was looked at as a big stick that was needed to get taxpayers to the table, to come in and get them to pay, but today it's way out of line for when at the time it was written.

MR. MELINSON: On the penalty side, the tie-in again, I would opine that in my experience from practicing around the country in state and local taxes, generally interest is supposed to serve as time value of money. So something that's in the general ball park of time value of money should be where an interest rate is at, and if there is a stick, that should be imposed on the penalty side.

Now, we certainly, to say the least, do have a stick in place and, frankly, would still have one even after the adjustments to the rate here. So for perspective, the penalty rates as they stand right now, it's a graduated scale in year one. When you aggregate all the months, it comes to 30 percent. And then it would be 15 percent a year thereafter, basically a percent and a quarter per month. And it never stops. So a lot of jurisdictions around the country, there's a cut-off point. Maybe it's when you get to 25 percent of the total value of the tax, 50 percent, maybe 100 percent. This tax grows and grows and grows. So when you get to -- like if you have an assessment for, say, $5,000 of tax from three years and three months ago, your interest and penalty will be greater than 5,000. Once you take it out seven years, if you had a $5,000 assessment, the interest and penalty would be more than $10,000. And this causes a lot of complications in terms of trying to negotiate and try to get people actually onto the rolls and paying what they're supposed to be paying in terms of tax.

The penalty rates are far out of line with what you usually see around the United States, far out of line with Pennsylvania, federal. This would be a positive step, this bill. It takes a positive step. It would get rid of some of those really egregious rates in the first year. It would take the 30 percent down to 15 percent.

And so, again, the only thing on behalf of the PICPA I would say is, arguably we could even go further, but this is definitely a step in the right direction and, therefore, we're supportive of the bills. This is a positive step, sends the right message to the business and taxpayer community that the City is trying to do the right things and to act in good faith and to try to set forth some reasonable parameters in the interest and penalty environment, and I think it's a very positive thing.

MR. HORNICK: And I would add to that. I think that the lower the rates are, the more business-friendly we are to small businesses. Big businesses come in with big guns, they negotiate, and they get their rates, they get things changed. Small businessmen are dazed in this. They have no idea they could be making payments for a long time, and then all of the sudden learn that they haven't touched the principal. They're still paying primarily penalty and interest, which in our notes we say, in our testimony, we say how unfair we felt that was.

So I think that is a big plus.

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Small businesses would probably be the biggest beneficiaries of this change.

MR. MELINSON: Before we transition to 120823, is it appropriate to transition to that or do you have any questions on the interest and penalty?

Okay. As it pertains to the second bill here, 120823, this is one that I personally dealt with probably, I'll just say, approximately 30 times in my career at least in -- let's just say over the last ten years I've dealt with this 30 times with the City of Philadelphia, and the issue here, it's a little -- it's an administrative issue in large part here, where the City the way that the current statute reads, it's supposed to take the taxpayers' money when there's a payment -- so, again, let's go back to my earlier example. You have 15,000 due and 5,000 is principal and a little over 10,000 is interest and penalty, let's say. Somebody makes a payment of $5,000, which again almost all jurisdictions around the country they would believe to be and in fact would be paying off the principal, stopping the bleeding, so to speak, so that they could later negotiate interest and penalty.

The way that the City currently processes that payment is, they take a pro rata portion of that, apply it to tax, and then they apply the rest to interest and penalty. So my example of 5,000 -- my numbers might get flawed here, but something like 1,250 bucks would go to the tax principal and the other 3,750 go to interest and penalty. So you'd still have nearly a $4,000 principal balance. And, again, the interest and penalty keeps running against that existing principal balance. And, again, it's very inconsistent and it's also confusing to taxpayers. Taxpayers don't understand. They think they paid the 5,000. In their mind, many, many times they think that they paid what they're supposed to pay to at least stop the principal, but then they later learn via bills and we have to get into some, let's just call it, confusing negotiations with the City. By this point, a lot of us kind of know who to get to and know how to get through it, but the small businesses or the mid-sized businesses, they don't know where to go and they don't understand the problem in the first place.

So with respect -- the Administration can certainly tell you some of the issues they deal with on that end, but I know it's taking up administrative time for the Department of Revenue and certainly from the taxpayers' standpoint. They've got to hire people like ourselves and attorneys to get them through those situations.

MR. HORNICK: And if I'm not mistaken, in most cases, non-city or others, if an individual marks their payment "apply to principal only," that's been held in many courts that that should be applied to principal only and no matter what the terms are. And I don't know if that's been brought up in Philadelphia cases at all.

MR. MELINSON: Well, I will say this: Again, my experience has been, we always get to that answer. It's just a lot of pain to get to that answer. Now, I don't know that everybody gets to that answer, but I would say in my clients' case, we're getting to that answer, but it literally -- you're dealing with appeals, like formal appeals, to get that unwound and to get it to how it should have been, where the 5,000 is applied to principal first and then the balance is reflected as interest and penalty.

So in an overall basis, this is a really good bill here. There's no doubt this one, in my mind at least, this one is a step in the right direction. PICPA supports it. The only caveat we'd put on behalf of the organization on this one -- and I understand that some efforts are going on to possibly address this, but on both of the bills, the real estate taxation is excluded, and we understand that there's some good reasons why it was excluded, but I'll just say it would be nice if that could get included in the future.

But the PICPA, in short, supports both of these bills, supports them strongly, and thinks it's a step in the right direction for the City of Philadelphia.

MR. HORNICK: Thanks, Matt.

Again, what Matt just said is very true, but if you notice, he's talking about, in order to get these payments applied to other than interest and principal, he's talking about costs. He's talking about hiring accountants, hiring attorneys. So, again, I feel this would benefit small businesses, which is important.

COUNCILMAN GREEN: Great. Yes.

I want to note the presence of

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Councilmember Squilla and Blondell Reynolds Brown, who joined us.

And I just want to ask you in your opinion, the way you read this, in the example, you gave there's $5,000 of principal and a $15,000 bill, and $5,000 comes in in a single or series of checks and principal is applied. Once that principal is paid, do interest and penalties cease accruing on that account?

MR. MELINSON: That's correct. That would be my understanding. So if the Administration could support that or validate that. But, yes, my understanding is that would stop the interest and penalty from running. Now, certainly the interest and penalty still hangs there.

COUNCILMAN GREEN: It exists.

MR. MELINSON: That's an outstanding liability that's collectible and --

COUNCILMAN GREEN: But it doesn't compound on itself.

MR. MELINSON: That's correct. That's correct, importantly.

COUNCILMAN GREEN: Okay. And we do have an amendment that we've agreed to with the Administration that includes real estate in this bill. So this will be passed out of Committee adding real estate to the bill.

MR. MELINSON: I think that's great.

MR. HORNICK: That's good.

COUNCILMAN GREEN: Thank you very much.

Any questions from members of the Committee?

(No response.)

COUNCILMAN GREEN: Seeing none, thank you very much for your testimony. We appreciate the time you took to come in today, and hopefully we'll have you back to talk about some other business tax changes in the near future. Thanks.

(Thank you.)

COUNCILMAN GREEN: Whoever is

testifying from the Administration, if you could please come forward.

(Witnesses approached witness table.)

COUNCILMAN GREEN: Good afternoon. Please state your name for the record and proceed with your testimony. If you would like to summarize your testimony, that would be okay with us.

COMMISSIONER RICHARDSON: I figured it would be.

Good afternoon, Chairman Green and members of the Finance Committee. Again, my name is Keith J. Richardson, the Revenue Commissioner for the City of Philadelphia. With me today is Francis Ruml Beckley, Chief Counsel for the Tax Law Unit in the Revenue Department. We are both here today to testify in support of Bill No. 120822 and 120823.

Bill No. 120822 amends Section 19-509 of the Code that deals with interest and penalties by changing the interest and penalty rates charged for late payment of City and School District taxes, other than real estate taxes, but we're -- currently the interest rate is 1 percent on the amount of unpaid taxes each month, which is a total of 12 percent a year, during which the tax remains unpaid. This rate has been in effect since July 1st of 1997. Prior to that, the interest rate was a half percent. The current penalty rate is a progressively increasing rate in each quarter of the first year. Again, 1 percent for the first quarter, 2 percent for each month in the second quarter, and 3 percent for the next quarter and 4 percent for the fourth quarter. Again, a total of 30 percent over the first year. This makes the combined interest and penalty rate 42 percent for the tax year if the tax remains unpaid in the first year. In the years thereafter, where the 1 percent interest rate remains unchanged, the penalty rate becomes 1 and a quarter percent, which comes to 15 percent over a year. Again, making that, combined with the 12 percent, 27 percent for a year. These penalty provisions have been in effect since July 1st of 1987. Again, that was a situation after the tax amnesty program the City did back in 1986 to kind of be the carrot to induce delinquent taxpayers to come forward and make payments on their taxes.

Bill No. 120822 also makes clarifying amendments to Section 19-510 and 19-510A concerning limitations of actions to recover delinquent taxes and assess taxes. This clarifying amendment is needed to de-couple the provision relating to discovery of fraudulent evasion of taxes from the provision dealing with the mere discovery of substantial understatement of gross receipts from the income. The language of the current provision is not sufficiently clear. The Department of Revenue does not have to possess evidence revealing the fraudulent evasion of taxes when review of taxpayers' books and records reveals substantial understatement of gross receipts in the income. Again, this clarifying amendment makes it clear that mere discovery of substantial understatement is sufficient to suspend the statutes of limitation of actions provided under Section 19-510 and 19-510A.

Bill No. 120823, again, amends 19-505 of the Code dealing with allocation of delinquent payments. The provision of this section currently provides for the proration of partial payment of any delinquent tax between the principal sum of such tax and the interest and penalties accumulated on it. The bill proposes to change the provision of all the taxes and potentially the real estate imposed by the City and the School District providing for the application of a partial payment of delinquent tax to the principal sum of the tax, interest, costs, and penalties, in that order. Again, the Pennsylvania Code also provides that for any tax administered by the Pennsylvania Department of Revenue, any partial payment of tax is applied to the following: Tax, addition to tax, interest, penalty, and any other fees and charges. It is time to change the City's practice of prorating partial payment of taxes between principal, interest, and penalty to a less burdensome, less confusing, and more familiar practice that the federal government, the State of Pennsylvania, and other tax jurisdictions currently apply in one form or another.

There are some amendments that have been proposed, and we are here to answer any questions, and thank you for letting us testify.

COUNCILMAN GREEN: Thank you.

Ms. Beckley, if you could please describe the amendments that have been proposed that add real estate taxes to this bill. We had language that we sent over to you, which I think was extraordinarily clear, and I have before me a change to that amendment, which I think is less than clear, and I just want to make sure for the record we are clear on what this language means.

MS. BECKLEY: Okay. As I recall, the amendment that you have proposed was simply to strike the exclusion of real estate from the normal cascading whereby a payment was applied first to principal, then to interest, then to cost, then to penalty. We had given you a slight variation on that, asking you to propose this amendment instead, because in the case of real estate tax, state law allows us to add counsel fees separately from what's actually owed to us and we wanted to ensure that we are able to continue to employ co-counsel in a situation where they will get those counsel fees even when there's a partial payment.

So the language we've proposed

for proration for real estate has the first dollar applied not only to principal but also pro rata to counsel fees.

COUNCILMAN GREEN: When you say "pro rata," you have to have a proportion to begin with when you use the word "pro rata," and there is no proportion to begin with that is in this bill, and that is why I find this amendment confusing, because for pro rata there has to be a numerator and denominator and I don't understand what that means.

MS. BECKLEY: Right. Well, there's a -- separately -- I don't remember which section it's in -- the ordinance provides that counsel fees can be imposed up to the rate of 18 percent. We currently impose them at that maximum 18 percent rate. I think we would be reluctant to lock ourselves in to paying that rate by ordinance. That's been a matter of contract negotiation with our co-counsel, and if in the future we can bring that rate down, we'd probably like to do that since it's an additional cost imposed on the taxpayer.

COUNCILMAN GREEN: So the question I have is, why not just say it's applied first to principal, less counsel fees applicable to the payment, as opposed to you using the confusing term "pro rata." In other words, you could say it's 100 percent applied to principal, less applicable counsel fees. It seems to me that's far more clear.

MS. BECKLEY: I think it would make sense for us to have a prolonged discussion and include Richie Feder or somebody else from Legislation and Appeals in that discussion. I don't find the other language as clear. Pro rata simply means proportionate.

COUNCILMAN GREEN: To what?

MS. BECKLEY: To each other, to the two liabilities.

COUNCILMAN GREEN: Proportionate to each other, you have to have a --

MS. BECKLEY: They get 18 cents for every dollar they bring us.

COUNCILMAN GREEN: -- percentage to begin with and we in theory could have -- it's not in reference to agreements with outside counsel.

I find it very confusing, but I just want to state for the record you are open to amending this to principal, less applicable counsel fees or something --

MS. BECKLEY: I'm open to amending it to language that we all mutually agree gets where we want to be. I think we're all in agreement about what we want to accomplish. I'm as unenamored of your formulation as you are of ours, but perhaps we can find a third way that everybody is comfortable with, and I suspect we can since there's no -- we have no disagreement about what we're trying to get.

COUNCILMAN GREEN: So would you state clearly for the record what we're trying to achieve.

MS. BECKLEY: We are trying to have it so that when the first dollar comes in, we are paying -- everything is applied to principal, except for the amount necessary to pay co-counsel.

COUNCILMAN GREEN: Okay. Thank you.

Any questions from anyone else? Councilmember Goode.

COUNCILMAN GOODE: Just a clarification regarding the term "pro rata." And so is that payout to principal and payout to counsel based strictly upon the ordinance or is it based upon whatever contract you have with counsel?

MS. BECKLEY: They will get a percentage counsel fee that is whatever is currently negotiated in our contract with them.

COUNCILMAN GOODE: So it's based upon your contract with counsel?

MS. BECKLEY: Right. It

cannot -- there is another City ordinance that requires that it not be above 18 percent, but --

COUNCILMAN GOODE: I understand that.

MS. BECKLEY: -- it's 18 percent or less.

COUNCILMAN GOODE: But in terms of pro rata, is that determined by ordinance or is that determined by your contract with counsel?

MS. BECKLEY: There's no question that it's proportionate to what they have collected, and that proportion is set by contract.

COUNCILMAN GOODE: So it's set by contract, not by ordinance?

MS. BECKLEY: Correct.

COUNCILMAN GOODE: Okay. I just wanted to clarify that.

MS. BECKLEY: It's capped by ordinance, but what it actually is right now is set in the contract.

COUNCILMAN GOODE: But in terms

of how it's paid out is determined by contract?

COMMISSIONER RICHARDSON: It's by contract, sir.

COUNCILMAN GREEN: Anybody else with any questions?

(No response.)

COUNCILMAN GREEN: Seeing none, thank you very much for your testimony.

Mr. Bruno.

(Witness approached witness table.)

COUNCILMAN GREEN: Good afternoon.

MR. BRUNO: Good afternoon, gentlemen.

COUNCILMAN GREEN: Please state your name for the record and proceed with your testimony.

MR. BRUNO: My name is Roger Bruno. I'm representing the Pennsylvania Tri County Chapter -- the Philadelphia Tri County Chapter of the Pennsylvania Society of Public Accountants. I am here to voice our membership's support of both Bills No. 120822 and 120823.

Bill No. 120823 that changes the allocation of delinquent payments to principal first instead of interest and penalty would be a big step of good faith shown to small businesses in this city. Most of our membership services small businesses in the City, and I can attest from the reactions of our clients that the current insidious practice of applying any payments toward interest and penalty first, thus creating a false tax balance on which to continue charging more interest and penalty, has been a long thorn in the sides of struggling businesses. It has created a sour and hostile atmosphere among the small business community that feels that this practice contributes to the widespread belief that the City is, quote, out to get them instead of being a partner and a help to continue their businesses during these current difficult economic times.

It is also a source of confusion. For example, when a business is unable to pay their tax on time and they pay it a few months late, they receive a bill from the City that shows a tax balance due and continuing interest and penalty. The delinquent bill implies that the return was completed incorrectly since it shows the tax due. This misrepresents the situation and puts us, the tax professional, in a bad position, as we then have to explain that we did indeed prepare the return properly, but that the City has this system of applying delinquent payments first to interest and penalty. No one in the private sector would ever conduct his or her business in such a manner.

We believe that the passage of this bill would create a sense of fairness in the system and in the perception of the small business person who is making a good-faith effort to pay their tax liabilities.

In reference to Bill No. 120822, our organization also supports the passage of this bill, because the interest and penalty system that the City imposes on the small business person has long been known to be the highest and most unfair penalties in America. By tying the City rate to the federal rate and reducing the current onerous penalties, it would bring the City rates in line with other cities and would eliminate the need for so many businesses to appeal these large and unfair penalties and interest to the Law Department, thus reducing their workload and expense. We believe it would also motivate more delinquents to come forward to make and arrange payments with the City, thus actually increasing collections.

I thank you for this opportunity to articulate our organization's views on these bills.

COUNCILMAN GREEN: Thank you

very much, Mr. Bruno. We appreciate you taking the time to come in today. We know you're very busy, and it is appreciated. Thank you.

MR. BRUNO: Thank you.

COUNCILMAN GREEN: Any questions for Mr. Bruno?

(No response.)

COUNCILMAN GREEN: Thank you.

Ms. Beckley, could we just ask a couple of clarifying questions.

Just so we have actual numbers to apply, if $100 is being paid to the City by a person who owes more than $100 in principal --

MS. BECKLEY: Right.

COUNCILMAN GREEN: -- what does the language here -- how would the money be split up, assuming the contract with counsel is for 18 percent?

MS. BECKLEY: You would -- I would have to have a calculator. You take what the percentage is -- let's make it simple. If $118 came in, the City would get 100 and co-counsel would get 18.

COUNCILMAN GREEN: That's not true. Co-counsel would get more than 18 percent because -- more than $18, because what we collected was 118, and 18 percent of 118 is greater than 18.

COMMISSIONER RICHARDSON: If it's $100 that is owed, sir, and 118 is the total bill, because they get their money off the top, we don't add it into it for the real estate.

COUNCILMAN GREEN: Well, okay. So then we don't need this amendment, because we're only saying that what comes in is principal -- what comes into the City is paid as principal. So are you saying the City collects counsel's fees and then remits them to counsel.

MS. BECKLEY: Exactly, because otherwise we were concerned -- we have had vendors in the past that have not -- that have overpaid themselves. So every single dollar they collect goes to us,

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then they invoice us for their fees and we pay them.

COUNCILMAN GREEN: But when the taxpayer pays the bill, is it separated into principal and counsel fees?

MS. BECKLEY: The total bill is, but each payment is not. If you get a partial payment on a payment plan, it won't tell you what -- they're just paying $200 a month or whatever they pay under their payment plan.

COUNCILMAN GREEN: Right. So let's just leave it at $100 a month. How much goes to co-counsel and how much comes to the City? Or let's leave it at $118.

MS. BECKLEY: If $118 comes in, they get their 18 and we get our hundred.

COUNCILMAN GREEN: And that will apply to every single payment --

MS. BECKLEY: Correct.

COUNCILMAN GREEN: -- of principal?

MS. BECKLEY: Until both

principal and fees are satisfied, yes.

COUNCILMAN GREEN: Until both principal and fees are satisfied.

MS. BECKLEY: Right.

COUNCILMAN GREEN: And do they earn money on interest and penalties?

MS. BECKLEY: They do. But they don't earn that money -- that money doesn't accrue on the bill. They don't earn that money until it actually walks into our lockbox.

COUNCILMAN GREEN: Okay. So there isn't the way -- there's no front-loading of this payment. They only get 18 percent on the dollars that actually come in the door?

COMMISSIONER RICHARDSON: Correct.

MS. BECKLEY: Correct.

COUNCILMAN GREEN: So they're not getting -- if someone settles for $1,000 but only makes the first $500 in payments, they don't get $180?

MS. BECKLEY: Correct.

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COUNCILMAN GREEN: Okay. I just wanted to clarify that. Thank you.

Any questions?

(No response.)

COUNCILMAN GREEN: Is there an amendment for 22 from the Administration that changes the effective date?

MS. BECKLEY: It's in the ones that we gave you.

COUNCILMAN GREEN: That's in 23.

COMMISSIONER RICHARDSON: That's in both bills, sir.

COUNCILMAN GREEN: We don't have the amendments for 22.

COMMISSIONER RICHARDSON: You want me to bring them up to you? It's an amendment for this one also.

COUNCILMAN GREEN: Thank you.

COMMISSIONER RICHARDSON: You're welcome, sir.

COUNCILMAN GREEN: This will conclude the public hearing on Bills No. 120822 and 120823. We are now in a public meeting on said bills, and I would ask Councilmember Goode to offer amendments, please.

COUNCILMAN GOODE: Thank you, Mr. Chairman. I move the amendment to Bill No. 120822 to be approved.

(Duly seconded.)

COUNCILMAN GREEN: It has been properly moved and seconded that the amendments to Bill No. 120822 be approved.

All in favor?

(Aye.)

COUNCILMAN GREEN: Councilmember Goode.

COUNCILMAN GOODE: I move that Bill No. 120822, as amended, be reported out of the committee with a favorable recommendation and the rules of Council be suspended so as to permit first reading at our next Council session.

(Duly seconded.)

COUNCILMAN GREEN: It has been properly moved and seconded that Bill No.

120822 -- I'm sorry.

COUNCILMAN JONES: Excuse me, Mr. Chairman. We're in a different portion of the meeting.

COUNCILMAN GREEN: I apologize.

COUNCILMAN JONES: That's okay.

COUNCILMAN GREEN: Please speak before we vote on this bill, Mr. Majority Leader.

COUNCILMAN JONES: Screw the bill.

(Laughter.)

COUNCILMAN GREEN: It has been properly moved and seconded that Bill No. 120822 be reported out of Committee with a favorable recommendation and suspension of the rules to permit first reading at our next session of Council.

All in favor?

(Aye.)

COUNCILMAN GREEN: Any opposed?

(No response.)

COUNCILMAN GREEN: The ayes have it.

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Councilmember Goode.

COUNCILMAN GOODE: I move the amendment to Bill No. 12823 be approved.

(Duly seconded.)

COUNCILMAN GREEN: It's been properly moved and seconded that the amendments to Bill No. 120823 be approved.

All in favor?

(Aye.)

COUNCILMAN GREEN: Opposed?

(No response.)

COUNCILMAN GREEN: Hearing none, the ayes have it.

Councilmember Goode.

COUNCILMAN GOODE: I move that Bill No. 120823, as amended, be reported out of Committee with a favorable recommendation and the rules of Council be suspended so as to permit first reading at our next Council session.

(Duly seconded.)

COUNCILMAN GREEN: It's been properly moved and seconded that Bill No.

120823 be reported from Committee with a favorable recommendation and suspension of the rules.

All in favor?

(Aye.)

COUNCILMAN GREEN: Any opposed?

(No response.)

COUNCILMAN GREEN: Hearing none, the ayes have it, and this concludes the public meeting on said bills.

(Committee on Finance concluded at 3:00 p.m.)

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CERTIFICATE

I HEREBY CERTIFY that the proceedings, evidence and objections are contained fully and accurately in the stenographic notes taken by me upon the foregoing matter on December 3, 2012, and that this is a true and correct transcript of same.

MICHELE L. MURPHY

RPR-Notary Public

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