



# CITY OF PHILADELPHIA

## OFFICE OF THE BOARD OF REVISION OF TAXES

Curtis Center  
601 Walnut Street, Suite 325 East  
Philadelphia, PA 19106-3313  
(215) 686-4343  
Fax: (215) 686-4336  
E-mail: [appealinquiry@phila.gov](mailto:appealinquiry@phila.gov)  
Website: <http://brtweb.phila.gov>

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May 20, 2014

The Honorable Darrell Clarke  
City Council President  
City Hall, Room 490  
Philadelphia, PA 19107

Dear Council President Clarke:

This letter is in response to questions raised at the April 22<sup>nd</sup>, 2014 hearing before the Committee of the Whole on the Fiscal Year 2015 budget for the Board of Revision of Taxes. The questions were recorded as follows:

### **From Councilman Goode:**

- 1. Can you provide to the Chair the new appeals revenue projection?**

To be answered by the Finance Department.

### **From Councilman Henon:**

- 2. Can you provide to the Chair a list of all the trends that you have discovered throughout the appeals process?**

Although I am unable to report trends by neighborhood, I can report the following based on the time I've spent in appeal hearings since the implementation of AVI:

- Certain sectors of the City experienced significant increases in market value as their previously certified values were not in alignment with neighborhood sales.
- Certain sectors of the City experienced little to no change in real estate tax because previous market values kept up with changes in the housing market.

- Market values in some parts of the City, that received significant increases, seemed most difficult to capture, as those neighborhoods saw the largest increase in sales dollars during the housing boom but also experienced the greatest decline when the market shifted.
  - With the implementation of AVI, property owners seem to have a much better understanding of their market value; the old fractional assessment system was unclear for most.
- 3. Can you provide to the Chair how many petitions you received, how many were granted, and the cost including BRT and legal costs for the appeals process?**

Council's question was regarding Nunc Pro Tunc Petitions (NPT), but for clarity purposes, I will address Market Value Appeals and Market Value Appeal NPT Petitions.

2014 Market Value Appeals:

24,520 - Total number of appeals filed  
1,246 – Reduced market value  
1,262 – No change in market value  
2,150 – Settled by the OPA

2014 Market Value Appeal Nunc Pro Tunc Petitions:

2,900 – Approximate number of petitions received (still entering)  
No decisions made, as Nunc Pro Tunc Petitions will be heard and decided after the timely filed appeals

The additional costs associated with the 2014 appeal year are best reflected in our annual operating budget. The department will spend another \$300,000 on temp staff, Masters, court reporting and supplies to cover the increase in appeal volume due to the city-wide assessment.

**CORRECTION:**

The Board expects to render decisions on all or most of the 2014 residential Market Value Appeals by the end of December 2014. During budget testimony, I incorrectly stated, by the end of September.

Please feel free to contact me with any questions you may have about the information provided in this response.

Sincerely,



Carla E. Pagan  
Executive Director

cc: Everett Gillison, Chief of Staff  
Rob Dubow, Director of Finance  
Rebecca Rhynhart, Budget Director

Fiona Greig, Deputy Budget Director