

**BOARD OF REVISION OF TAXES
FISCAL YEAR 2025 BUDGET TESTIMONY
APRIL 29, 2024**

INTRODUCTION

Good afternoon, President Johnson, and Members of City Council. I am Carla Pagan, Executive Director. Joining me today is Linda Tucci, Executive Assistant. I am pleased to provide testimony on The Board of Revision of Taxes’ Fiscal Year 2025 Operating Budget.

DEPARTMENT MISSION & PLANS

Mission: The Board of Revision of Taxes (BRT) hears appeals on real property valuations and addresses exceptions and inequities in those values. The BRT is an independent, seven-member board appointed by the Board of Judges of the Philadelphia Court of Common Pleas. The Board is required to hear assessment appeals and determine the market value for the tax year in question. The appeals board hears and renders decisions for real property assessment appeals, unique non-profit applications, homestead exemption appeals, and nunc pro tunc (“now for then”) petitions that allow property owners to file a petition now for a previous deadline or tax year. The Board of View, an independent, three-member board appointed by the Board of Judges, hears and renders decisions for condemnation (eminent domain) appeals.

Plans for Fiscal Year 2025:

Pennsylvania state law says that any person aggrieved by their real estate assessment may file an appeal. The BRT board and staff are committed to resolving the 13,500 appeals filed for tax year 2023 and the 3,000 appeals filed for tax year 2024. The robust hearing schedule will continue through FY25.

In the calendar year 2023, the BRT resolved over 7,040 appeals averaging 585 units per month. Between January and March 2024, the BRT rendered decisions on 1,900 market value appeals, averaging 490 per month.

While market value appeals are our highest priority, the BRT also hears Homestead Exemption, Abatement, and Non-Profit Exemption appeals. The board and staff have been able to resolve 75% of 2024 Homestead appeals favorably for property owners.

In FY25, the department will continue hearing oral appeals every Tuesday, Wednesday, and Thursday and non-oral appeals and petitions every Monday and Friday.

By the end of FY25, we expect 2023 market value appeals to be 100% complete and 2024 appeals two-thirds complete.

With that, we open the floor for questions.

PROPOSED BUDGET OVERVIEW

General Fund Financial Summary by Class						
	FY23 Original Appropriations	FY23 Actual Obligations	FY24 Original Appropriations	FY24 Estimated Obligations	FY25 Proposed Appropriations	Difference: FY25-FY24
Class 100 - Employee Compensation	\$1,030,360	\$1,012,612	\$1,089,023	\$1,109,023	\$1,089,023	(\$20,000)
Class 200 - Purchase of Services	\$37,900	\$62,010	\$80,681	\$80,681	\$40,681	(\$40,000)
Class 300/400 - Materials, Supplies & Equipment	\$17,727	\$17,556	\$22,727	\$22,727	\$17,727	(\$5,000)
Total	\$1,085,987	\$1,092,178	\$1,192,431	\$1,212,431	\$1,147,431	(\$65,000)

Proposed Funding Request:

The proposed Fiscal Year 2025 General Fund budget totals \$1,147,431, a decrease of \$65,000 from Fiscal Year 2024 estimated obligation levels. This decrease is primarily due to reduced court reporting expenses.

The proposed budget includes:

- \$1,089,023 in Class 100, a \$20,000 decrease from FY24. This funding allows the department to be fully staffed with no vacancies.
- \$40,681 in Class 200, a \$40,000 decrease from FY24. This funding primarily supports court reporting costs for BRT hearings.
- \$17,727 in Class 300/400, a \$5,000 decrease from FY24. This funding provides for necessary office supplies and technical equipment upgrades.

STAFFING LEVELS

The department is requesting 17 budgeted positions for FY25, an increase of 1 position over FY24. The increase is attributed to a long-term temporary employee accepting full timefull-time employment.

Employment Levels (as of December 2023)		
	FY25 Budgeted	Filled as of December 2023
Number of Full-Time Positions	17	17
Number of Exempt Positions	12	12
Number of Executive Positions (deputy level and above)	11	11
Average Salary of All Full-Time Positions	\$62,921	\$62,921
Median Salary of All Full-Time Positions	\$70,000	\$70,000

NEW HIRES

New Hires (from 7/1/2023 to December 2023)	
	Total Number of New Hires
Black or African American	1
Total	1

PROGRAM BASED BUDGETING:

Program Name: Appeals Program

Program Number: 01

FY25 Proposed General Fund: \$1,147,431

Program Description: The main purpose of the appeals program is to adhere to and satisfy Pennsylvania statute 5341.14, which states, “any person aggrieved by any assessment ... may file an appeal therefrom with the board.” In addition, “The board shall complete its hearings of appeals and shall dispose of all appeals before it as promptly as possible.” The BRT renders appeal decisions for assessment appeals, unique non-profit applications, homestead exemption appeals, and *nunc pro tunc* (“now for then”) petitions.

FY25 Strategic Goals:

- The BRT is working through the 2023 appeal caseload and has those appeals scheduled through June 2025. The main goal for FY25 is to complete 2023 appeals by the end of the second quarter of the fiscal year.
- During FY25, the BRT will continue hearing 2024 appeals. BRT expects 2024 appeals to be complete three to six months after the close of FY25.
- By the end of October in FY25, the BRT expects to complete intake and processing for any newly filed 2025 real estate market value appeals.

FY25 Performance Measures:

Measure	CY23 Actual	CY24 Target	CY25 Target
Volume of appeals filed in the current year*	13,485	N/A	N/A
Percentage of appeals heard during the reporting period (current year)**	52%	32%	4%
Percentage of appeals heard during the reporting period (upcoming year)***	<1%	38%	61%
Volume of appeals filed for the upcoming year****	2,913	N/A	N/A

*Appeal volumes vary from year to year based on the number of changed assessment notices mailed by the Office of Property Assessment. The BRT does not set a target for this figure. CY23 actuals indicate the total number of tax year 2023 appeals filed (filing deadline was October 2022).

**CY23 actuals reflect the percentage of tax year 2023 appeals heard in CY23 only. BRT anticipates hearing 32% and 4% in CY24 and CY25 respectively. As 12% were heard in CY22, the goal is to be 100% complete with tax year 2023 appeals by 03/31/2025.

***CY23 actuals reflect the percentage of tax year 2024 appeals heard in CY23 only. BRT anticipates hearing 38% and 61% in CY24 and CY25 respectively. The goal is to hear 100% of tax year 2024 appeals by 06/30/2025.

****CY23 actuals indicate the number of tax year 2024 appeals filed (filing deadline was October 2023). Appeal volumes vary from year to year based on the number of changed assessment notices mailed by the Office of Property Assessment. The BRT does not set a target for this figure.

Board of Revision of Taxes

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

The BRT has no federal or state funding.