

ORDINANCE NO. 15263

FILE OF CITY COUNCIL

BILL NO. 86 – 2015

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DECEMBER 7, 2011

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AN ORDINANCE

Amending Article 353, Property Tax, of the Codified Ordinances of the City of Allentown.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF ALLENTOWN:

SECTION ONE: That pursuant to Article 353, Property Tax, of the Codified Ordinances of the City of Allentown, amendment is hereby adopted.

**ARTICLE 353  
PROPERTY TAX**

353.01 Collection Dates and Payments

CROSS REFERENCES

Power to Levy Property Taxes - 3rd Class - §2531 (53 P.S. §37531)  
Tax Liens; Liability for False Return - 3rd Class §2537 (53 P.S. §37537)

EDITOR'S NOTE: Pursuant to Third Class City Code Section 2531, Council annually enacts a tax for general revenue and debt purposes on all real, personal and mixed property within the City. Consult the City Clerk for the current fiscal year tax.

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**353.01 COLLECTION DATES AND PAYMENTS**

A. The Director of ~~Administration~~ and Finance is authorized and empowered to collect the annual real estate taxes according to the following schedule:

1. Real estate taxes shall be billed each year on or before February 1.
2. There shall be a discount period according to State law of two months commencing February 5, during which payment received of the current outstanding real estate taxes shall result in a two (2%) percent discount of the total tax. (12165 §1 12/22/75; 13686 §1 7/16/98)

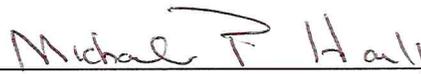
3. The gross tax period of payment shall begin on April 6, and shall continue ~~for two consecutive months from that date until June 5~~ through July 15. (12172 §1 2/4/76; 13686 §1 7/16/98)

4. A penalty of ten (10%) percent shall be assessed on all unpaid taxes as of ~~June 6~~ July 16 of the fiscal year. (12229 §1 12/15/76; 13686 §1 7/16/98)

B. The Director of ~~Administration and~~ Finance is further empowered and authorized to collect the aforesaid taxes by means of installment payments. The following dates are the installment due dates within the year at which time one-fourth of the total real estate tax shall be due and owing: April 15, May 15, June 15 and July 15. A property owner electing to use the installment option shall make the first payment no later than April 15. ~~All other installment payments paid after the respective due date will be subject to a penalty of ten (10%) percent.~~ (12254 §1 7/6/77; 13175 §1 1/7/93)

	Yea	Nay
Joe Davis	X	
Jeanette Eichenwald	X	
Jeff Glazier	X	
Daryl Hendricks	X	
Cynthia Y. Mota	X	
Julio A. Guridy, VP	X	
Ray O'Connell, Pres.	X	
TOTAL	7	0

I hereby certify that the foregoing Ordinance was passed by City Council on December 16, 2015 and signed by the Mayor on December 18, 2015.



CITY CLERK

- **What Department or bureau is Bill originating from? Where did the initiative for the bill originate?**

The Department of Finance

- **Summary and Facts of the Bill**

This amends the Collection Dates and Payments section of Article 353. The purpose of the amendment is to adopt a uniform due date after which penalty is imposed on late real estate tax payments, whether the taxpayer is attempting to pay the gross amount, or attempting use the installment option.

Currently, the due date for paying the gross real estate tax amount is June 05. The installment periods are April 15, May 15, June 15 and July 15. Under the present language, a taxpayer attempting to use the installment option can be penalized for making payments after the April 15 or May 15 installment due date, but before the June 5 gross due date which is recognized to be the final due date to make payment in full without penalty.

The separate due dates for penalty imposition within Article 353 creates an inconsistent application of penalty on the taxpayer

- **Purpose – Please include the following in your explanation:**
  - **What does the Bill do – what are the specific goals/tasks the bill seek to accomplish**
  - **What are the Benefits of doing this/Down-side of doing this**
  - **How does this Bill related to the City’s Vision/Mission/Priorities**

The bill attempts to treat all taxpayers the same way with regard to penalty, rather than making the installment option distinguishable for its late payment provisions. This change will enable the City to provide better customer service to its taxpayers, and it allows all tax base additional time to make their real estate tax payments without being penalized.

- **Financial Impact – Please include the following in your explanation:**
  - **Cost (Initial and ongoing)**
  - **Benefits (initial and ongoing)**

Financial impact is the loss of a fraction of our revenue collected on the 10% penalty for late real estate tax payments. The City will still collect 10% penalty on all payments made after July 15. It is known that the current penalty collected before July 15 is approximately .014% of our our total collections

- **Funding Sources – Please include the following in your explanation:**
  - **If transferring funds, please make sure bill gives specific accounts; if appropriating funds from a grant list the agency awarding the grant.**

N/A

- **Priority status/Deadlines, if any**

Must be adopted with ample time to implement before the January 20, 2016 City Real Estate Tax target billing date

- **Why should Council unanimously support this bill?**

It provides taxpayers additional time to pay without being penalized, and is a considerable customer service improvement