

May 3, 2010

**IN RE: GRACE ROBERTS**  
**DOCKET NO: 36REINPZZ3388**

**STATEMENT OF RECORD:**

1. Grace Roberts (hereafter "Petitioner") filed a Petition for Appeal of Real Estate taxes for the years 2000 to 2006 for the property at 722 West Roosevelt Boulevard Philadelphia, Pa. This Petition was filed on September 4, 2007.
2. A public hearing by a Tax Review Board Master was held on January 7, 2008. The decision of the Master, as ratified by the Tax Review Board, was to deny the petition and direct Petitioner to continue with her current payment agreement with its monthly payment amount based on financial hardship.
3. Petitioner requested and was granted a public hearing before the full Tax Review Board.

**FINDINGS OF FACT:**

1. Petitioner appealed the Real Estate taxes for the property at 722 Roosevelt Boulevard Philadelphia, Pa. for the years 2000 through 2006. The principal amount due was \$3346.04, with interest of \$1644.19 and penalties of \$242.30 as of the date of the TRB hearing, lien charges of \$149.24 and legal fees of \$376.50 for a total due of \$5748.27.
2. On or about February 12, 2007, Petitioner agreed to purchase the property from individuals who led her to believe they were the property owners. She paid \$35,000 to these individuals. Petitioner did not have a title search of the property.
3. Several months later, Petitioner learned that the transaction had been fraudulent and that the individuals she had believed to be the owners of the property did not have legal title or interest in the property and therefore did not have the authority or right to sell it. She learned this when, after paying the agreed price, they did not provide her with a deed to the property.
4. After learning that the original transaction to purchase the property had been fraudulent, Petitioner was able to locate the true, legal owners of the property and they agreed to sell her the property for approximately \$1500. Petitioner testified that she believed they would be responsible for any tax delinquencies. There was no title search performed at that time.
5. On or about June 1, 2007, a deed was executed by the property owners, transferring the property to Petitioner.
6. After becoming the property owner in June 2007, Petitioner began to receive bills for the delinquent Real Estate taxes. Petitioner characterized the taxes due as "business taxes" because the property is a commercial property but the delinquent taxes under appeal were Real Estate taxes incurred prior to Petitioner's ownership of the property.

**CONCLUSIONS OF LAW:**

Petitioner objected to the imposition of Real estate taxes on the property at 722 Roosevelt Boulevard for the years prior to her ownership of the property. Petitioner's request for abatement of tax principal and all other charges was based on the argument that she did not own the property during the tax years in question.

The Tax Review Board did not abate the Real Estate Tax principal because delinquent Real Estate taxes become a lien against the property that continue as a municipal claim when ownership or title to the property changes. The Pennsylvania Act of March 21, 1945 Pa. Laws 47, §1, Pa. Stat Ann.tit. 53, §7102 provides that school and city taxes shall be a first lien on real property...

Petitioner had the opportunity on two occasions to initiate a title search, in February 2007, even though the transaction turned out to be fraudulent, and again in June 2007 when she entered into the sales transaction with the actual property owner. On neither occasion did Petitioner exercise her right to a title search or purchase title insurance, as so many buyers do to protect themselves as a new property owner. A title search that revealed the delinquent taxes would have provided an opportunity for Petitioner to raise the issue of these back taxes with the property owner and to make adjustments to the sales transaction. The existence of the delinquent taxes was a matter of public record, easily ascertainable. Unfortunately, the city cannot step forward and eliminate the tax liability each time a naïve or unsophisticated purchaser encounters this type of situation where the existence of the back taxes was available information but overlooked.

There was no claim that the taxes were not due or not properly assessed. And there was no claim that the city had acted improperly in imposing these taxes or putting any potential buyer on notice that the taxes were due and owing to the city.

The Tax Review Board did find that Petitioner had acted in good faith and without intent to defraud the City of Philadelphia and therefore abated all interest and penalties contingent on entering into a payment agreement for the remaining balance within 90 days. Petitioner established that she addressed the delinquent tax situation upon learning that taxes were due. This was after the ordeal of learning that she had paid a large sum of money to individuals who deceived her about whether they owned the property and had the right to sell it to her.

Concurred:

Monique DeLapenha, Esquire, Chair  
T. David Williams, Esquire  
LaVon wells-Chancy, CPA  
Joseph Ferla