

February 27, 2015

IN RE: Ravone Stokes

DOCKET NUMBER: 36REINPZY9321

Statement of Record:

1. Ravone Stokes (hereafter "Petitioner") filed a Petition for Appeal with the Tax Review Board on June 16, 2014 requesting waiver of interest and penalty accrued against Real Estate Tax delinquencies for the tax years 1991, 1993, 1995 and 1998 for the property at 6121 Upland Street, Philadelphia, PA.
2. A public hearing before a Tax Review Board (TRB) Hearing Master was scheduled for August 8, 2014. The decision of the Master, as ratified by the TRB, was to abate the penalty provided payment arrangements were entered into by Petitioner within 30 days.
3. Petitioner requested, and was granted, a rehearing before the full TRB.
4. A public hearing before the TRB was scheduled for December 4, 2014. At the conclusion of the hearing, the TRB announced its decision to abate 100% of the penalty and 25% of the interest contingent on Petitioner entering into a payment arrangement for the balance within 30 days.
5. Petitioner filed an appeal to the Court of Common Pleas.

Findings of Fact:

1. Petitioner purchased the property at 6121 Upland Street in 2011. The purchase price was \$1.00.
2. Petitioner did not perform or purchase a title search at the time of purchase to determine if there were any outstanding tax liens filed against the property.
3. After purchase, Petitioner sat about renovating the property for her family. The renovation cost was approximately \$10,000.
4. Petitioner purchased the house and paid for these renovations so that her daughter and granddaughter would have a place to live.
5. At some point after the purchase of the property, Petitioner received notice that the property was going to be sold by the city at a Sheriff's Sale. It was at that time that she learned of the delinquent Real Estate Taxes.
6. The taxes at issue were for the years 1991, 1993, 1995, 1998 through 2003, and 2005 through 2013. The principal amount due was \$5,022.52, with interest of \$4,314.09 and penalty of \$351 and legal fees of \$2,135.71, for a total due of \$12,173.97.
7. Petitioner owns two other properties in Philadelphia.

Conclusions of Law:

The Philadelphia Code Chapter 19-1705(2) provides that “(u)pon the filing of any petition for the waiver of interest and penalties accruing upon any unpaid money or claim collectible by the Department of Revenue, for or on behalf of the City or the School District of Philadelphia, the Tax Review Board may abate in whole or in part interest or penalties, or both, where in the opinion of the Board the petitioner acted in good faith, without negligence and no intent to defraud.”

Although Petitioner purchased the property for only \$1.00, the house needed extensive renovations before being habitable. Petitioner purchased the house and paid for these renovations so that her daughter and granddaughter would have a place to live. Petitioner was not engaged in a for-profit enterprise but was trying to provide for her family. She was unaware at the time of purchase that there were tax delinquencies as she did not have a title search at that time.

She expressed her understanding that the taxes were her responsibility and that she would pay them.

The findings of the TRB was that Petitioner had not intended to defraud the city. However, as a property owner, Petitioner was responsible for determining at the time of purchase if there were tax delinquencies, and if choosing to purchase anyway at the cost of only \$1.00, then she knew or should know that she would become the responsible party for the delinquent taxes.

Therefore, the decision of the TRB was to abate 100% of the penalty and 25% of the interest contingent on Petitioner entering into a payment arrangement for the balance due within 30 days.

Concurred:

Nancy Kammerdeiner, Chair

Joseph Ferla

Christian DiCicco, Esq.

George Mathew

Martin Bednarek