

Sheriff Sales: A tool of last resort.

Updated FY20 statistics

Sheriff Sale is an important tool used by the Department of Revenue to motivate delinquent tax and water payments, and generate funds needed to support the City and School District of Philadelphia.

In response to the COVID-19 pandemic, Revenue suspended the use of Sheriff Sales and other enforcement tools in March 2020. In the past year, we also developed a new enforcement strategy, keeping taxpayer and business needs in mind.

As part of this strategy, we improved the way we identify owner-occupied properties in the foreclosure process, to enroll homeowners in payment plans and keep them in their homes. Since the pandemic began, the City has only sold 30 vacant properties working with Community Legal Services (CLS) and the Civil Court.

In the future, we are committed to a Sheriff Sale process that prioritizes non-owner-occupied properties and chronically delinquent accounts.

Key Sheriff Sale statistics in FY20, July 2019 - March 2020 only

In March 2020, Revenue paused all enforcement tactics. There were no Sheriff Sales from April 2020 - June 2020 (end of FY20).

3,313 properties with delinquent taxes were listed for Sheriff Sale. This represents one in fifteen, or 6%, of all delinquent properties.
(6%)

~ 77% of properties listed for Sheriff Sale are not sold each year (stayed).

Properties sold at Sale are not a subset of the properties listed for Sale in the same year. The Sheriff Sale process takes multiple years to complete.

~ 14% of the properties listed for Sale paid in full, entered a payment agreement or were under administrative appeal by the end of the fiscal year. With enforcement tools paused in FY20, property owners were not spurred to action to resolve delinquent accounts.

A prior Revenue study in FY17 found that approx. 40% of the properties listed for Sale in prior years were current on their taxes by the end of the year.

777 delinquent properties were sold at Sheriff Sale. This represents a little over 1% or one in hundred of all delinquent properties.
(1%)

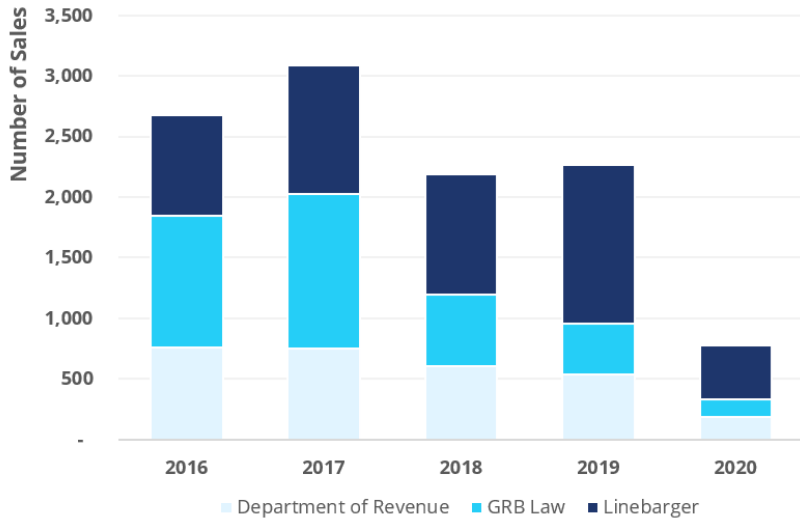
~ 6% of the properties sold at Sheriff Sale were likely owner-occupied.

Prior owner-occupants can buy back their property within nine months of the Sheriff Sale by filing a redemption petition with the Court.

\$30 m is the amount received by the City from the Sheriff's Office for delinquent and current year taxes in FY20. This includes the amounts received from sale by the City's co-counsel, currently Lineberger Goggan Blair & Sampson LLP (Lineberger) and Goehring Rutter & Boehm (GRB) Law.

Trend of Sheriff Sales over time, 2016 - 2020

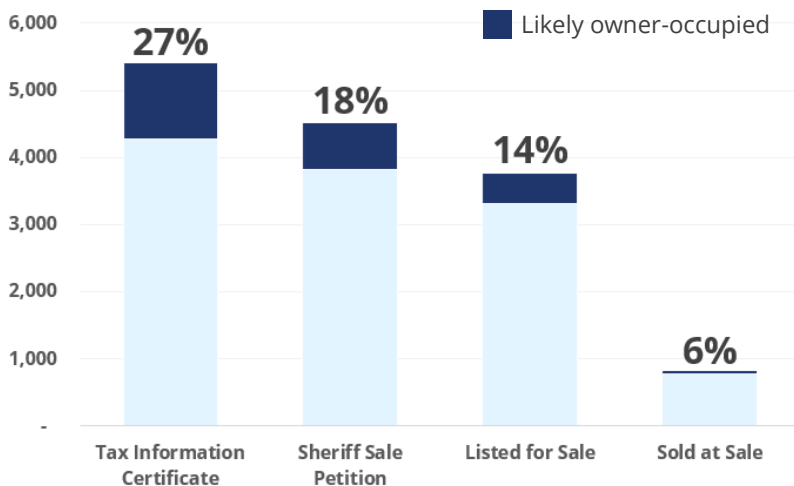
The data for 2020 only includes Sheriff Sales from July 2019 - March 2020. There were no Sheriff Sales from April 2020 - June 2020 (end of FY20).



Revenue and co-counsel reduce the number of potentially owner-occupied properties sold at Sale by identifying likely homeowners at each stage of the foreclosure process

To identify properties that are potentially owner-occupied, Revenue checks for enrollment in taxpayer assistance programs. Last year, we added additional indicators of residential occupancy such as water usage data, WRB investigation reports, and 311 vacancy complaints.

Prior to Sale, Revenue also tries to find the owner of record using skip tracking tools like TransUnion's TLOxp. In many cases, the identified homeowners are deceased or the owner is no longer interested in the property.



The number of properties in the Sheriff Sale process shrink at each step

Data from prior years have shown that the threat of Sheriff Sale encourages taxpayers to pay delinquent taxes or enter into a payment agreement.

Properties that begin the foreclosure process do not complete the process in the same year. Therefore, properties sold in FY20 is not a subset of the properties issued a Tax Information Certificate (TIC) in the same year.

In FY20 -

- 1 **4,269** delinquent properties were issued a **Tax Information Certificate**
- 2 **3,818** properties received a **Sheriff Sale Petition**
- 3 **3,313** properties were **listed for Sheriff Sale**
- 4 **777** properties were **sold at Sheriff Sale**; 18% of properties that began the foreclosure process.

Three in five properties sold at Sheriff Sale in FY20 were vacant

