

Executive Committee, Real Property Section
Meeting Minutes – Monday, June 15, 2009

In attendance: Michael Balent, Brad Begelman, Judy Berkman, Alfred Fuscaldo, Cheryl Gaston, Lisa Getson, William Keffer, Christine Paul, Neil Rubin, Paul Schmidt, Richard Vanderslice and Walter Zimolong. Stewart Weintraub attended as a guest.

Chairperson Christine Paul called the meeting to order.

Board of Revision of Taxes. Stewart Weintraub of the Tax Section joined us to discuss potential changes to the BRT. Stewart was a member of the 2003 Tax Reform Commission. Stewart explained that the Tax Reform Commission came up with a series of recommendations including separating tax appeals from the BRT; the creation of a tax advocate and splitting land and structure values. In 2003, the Bar Association endorsed the recommendations of the Tax Commission. To date, none of these recommendations have been implemented. Two of the recommendations are in progress. They are the elimination of fractional assessments and potentially having budget based assessments. Stewart then discussed two bills currently before Philadelphia City Council. Bill Nos. 090384 and 090385. Councilpeople Green, Sanchez and Jung introduced these bills. Bill No. 090385 retains the BRT but removes appeals from its jurisdiction and requires assessment practices. Appeals would be heard by a Property Assessment Appeals Board. Bill 090384 abolishes the BRT and creates a Property Assessment and Oversight Board. This board would be required every four years to have a contract with a national service to review their procedures. In addition an Office of Property Assessment would be created which would perform assessments reporting to the Office of the Managing Director and would have a Chief Assessment Officer. Finally, a Board of Assessment and Review would be created and should carry over 5 members of the BRT. As far as proceeding forward, Stewart suggested that there could be two to three volunteers from the Real Estate Section and a similar number from the Tax Section. The Tax Section's next meeting is in July. He will recommend a joint committee to prepare a joint resolution for the Bar Association. Stewart also discussed current regulatory stance on the business tax on unrelated activities of non-profits. Rental income has been, per regulations, determined to be per-se business income. This may be challenging for non-profits subjecting income such as dorm rental to tax. In February, there was a hearing on this matter and a ruling has not been issued.

Foreclosure Diversion Program. Mike Balent reported that the Bar Association just won an ABA award for this effort. In addition, we discussed funding the upcoming anniversary luncheon for the program. Chris Paul has previously committed \$150.00 from the Section and the consensus was to provide an additional \$100.00 if necessary.

Legislative Update. There will be no state budget by the June 30th deadline. Philadelphia will now have to wait for the state budget in order to finalize the sales tax and pension issues.

LEED Bills. We decided to further discuss our proposed resolution with other sections to aim for September return to the Bar Association cabinet for review. Judy Berkman advised us that in the event we want to obtain the assistance of lobbyists to work on it, the correct procedure is to email our request to the Chancellor and carbon copy Ken Shear and Brian Simms.

House Bill 1351 (Medical Assistance Recovery Claim Act). The resolution which the Real Estate Section supported was approved. In addition, there is now an effort to obtain sample pleadings for properties.

Civil Gideon Task Force. Ken Fleisher and Chris Paul will be representing the Section.

The Minutes for the last meeting were approved.

Treasurer's Report. The treasurer's report was approved.

CLE. Al Fuscaldo will be presenting an introduction to zoning in conjunction with VIP on September 11th.

Annual Luncheon. We discussed a preliminary list of award nominees and speakers.

Next meeting will be held August 17, 2009 at 12:00 noon.

The meeting was adjourned.