

Allegheny County Council

*County of Allegheny
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Committee Meeting Minutes

Thursday, September 21, 2006

4:00 PM

Conference Room One

Special Committee on Property Assessments

Rich Fitzgerald, Chair; Committee of the Whole

I. Call to Order

Summary: *The meeting was called to order at 4:00 PM*

Invited Guests:

Stephen Zappala, District Attorney or Designee

John Weinstein, County Treasurer

Jim Flynn, County Manager or Designee

Tim Johnson, Director, Administrative Services or Designee

Summary: *Invited Guests in attendance: Mr. Weinstein; Dawn Botsford for Mr. Zappala; Mike Suley and Mark Connolly for Mr. Johnson; and Derek Uber for Mr. Flynn*

II. Roll Call

Roll Call: Present: Joan Cleary, John DeFazio, Vince Gastgeb, and Chair Rich Fitzgerald
Absent: Jim Burn, Susan Caldwell, Matt Drozd, Dave Fawcett, Michael Finnerty, Brenda Frazier, Chuck Martoni, Rich Nerone, Jan Rea, and William Robinson

III. Agenda Items

Resolution

2763-06

A Resolution of the County of Allegheny, Commonwealth of Pennsylvania, urging the Office of Property Assessment and the Allegheny County District Attorney to work cooperatively to identify and fully prosecute individuals who receive the homestead exemption from real property taxation through fraudulent or otherwise deceptive means, consistent with the terms of the Homestead Property Exclusion Program Act (53 P.S. §8581 et. seq.), also known as Act 50.

Sponsors: Rich Fitzgerald, Jim Burn, Joan Cleary, John DeFazio, Michael Finnerty, Brenda Frazier, Bob Macey, William Russell Robinson, Matt Drozd and Chuck Martoni

Summary: *Mr. DeFazio indicated that the Chair, Mr. Fitzgerald, designated him to chair the meeting because he was behind schedule and would arrive late.*

Mr. Gastgeb said that Mr. Robinson introduced a bill which he said addresses many of the issues found in this bill. He questioned what this bill would accomplish. He said that the bill asks the District Attorney to do a job that he already does and that the other issues in the bill are addressed in Mr. Robinson's bill.

Mr. DeFazio provided a summary of the bill. He said that the bill would provide a formal statutory mechanism for enforcing the terms of the Homestead Property Exclusion Program Act, which provides for penalties when a false application for an Act 50 exemption is filed or when a taxpayer does not report a change in conditions for a property that render it ineligible for the exemption. The penalties include the payment of back taxes plus interest, a penalty of 10% on the back taxes owed, and upon conviction of knowingly filing a fraudulent application, a fine not to exceed \$2,500.

He said that the legislation would encourage collaboration between the Office of Property Assessments and the District Attorney's Office in order to identify and prosecute individuals that were granted the homestead exemption through fraudulent or deceptive means, or upon the basis of incorrect applications, consistent with the terms of Act 50.

He also said that the bill requests that the Office of Property Assessments review the status of all homestead exemptions, and upon discovery of a false or mistaken application, notify the taxpayer in writing. The bill also requests that OPA give the taxpayer a 30-day grace period in order to pay any back taxes and/or interest, however, if they fail to do so, the Office of Property Assessments is asked to forward their findings to the District Attorney's Office for further action.

(Mr. Fitzgerald arrived at the meeting at 4:30 but allowed Mr. DeFazio to continue to Chair the meeting)

Ms. Cleary said that the 30 day grace period in the bill allows people to correct mistakes or other problems. She said that the application for the Homestead Exemption clearly states that a person can not provide fraudulent information.

Mr. Gastgeb said that if this information is already available then why state the obvious to something that already exists. He asked why Council would need a resolution when it is Cleary stated that this is illegal. He said it seemed like overkill to him. He went on to speak against the bill.

Ms. Cleary said that she views the bill as a budgetary issue. She said that they need to get the message out that if people are violating the law then the County wants the money returned.

Mr. Gastgeb said that the second part of the bill asks that the county review the status of all Homestead exemptions. He asked Mr. Suley if that was physically possible. Mr. Suley said that it was possible and provided an overview and description of the Homestead Program. Mr. Connolly said that they are able to run queries to find out who is taking the exemption fraudulently. Mr. Suley explained the process of reviewing and enforcing the Homestead Exemption Program. He discussed policies and procedures relative to the program.

Mr. Gastgeb asked Mr. Suley and Mr. Connolly if they had any idea how many ineligible participants there are in the program. Mr. Connolly said that queries show that there are approximately 10,000 questionable applications that they are going to examine.

Ms. Cleary asked if they had copies of all the applications. Mr. Suley said that they are in the process of scanning nearly a half a million applications.

Mr. Weinstein said that Section 2 of the bill asks the office of assessment to notify the taxpayer. He said that the correct way to do this would be to notify the Treasurer's Office and they will send them a bill. He asked that this be offered as an amendment. The Committee agreed.

Mr. Fitzgerald asked Ms. Botsford if they file charges if someone takes the exemption fraudulently. Ms. Botsford said that they do not file charges but the case should be referred to a law enforcement agency and they could file the charge. Mr. Fitzgerald asked her if someone takes the exemption fraudulently and then donates the money, would they still be charged. Ms. Botsford said yes.

Mr. Gastgeb said that there are two enforcement provisions, one for honest mistakes and one for being fraudulent. He said that the bill does not address the penalty for honest mistakes. Ms. Botsford said that in that case an individual would be liable for the penalty but would not face conviction for fraud.

Mr. Fitzgerald asked Ms. Botsford if honest mistakes absolves a person from prosecution. Ms. Botsford said that it did not.

There was no further discussion on the bill.

Action: **Released from the Committee**

IV. Adjournment

Summary: *The meeting adjourned at 5:05 PM*