January 24, 2021

SUBJECT: Real Estate Tax Exemption Five-Year Review COVID Waiver

1. PURPOSE. The purpose of this paper is to provide an executive summary on the Bureau of PIRO's execution of the Real Estate Tax Exemption (RETX) Five-Year Review COVID Waiver.

2. FACTS.

A. Title 51 Pa.C.S. § 8904(3) requires the State Veterans Commission to review financial need of Veterans on the RETX program every five years. Veterans begin the review application process at local county offices of veterans' affairs and/or offices of tax assessment. Completed applications are then submitted to Bureau of PIRO/Division of Programs & Services (P&S) to adjudicate financial need.

B. The following timeline describes PIRO/P&S efforts to manage the larger-than-average number of "close-outs" (Veterans who did not submit the required five-year review application) during the COVID pandemic state of emergency, as well as upcoming action.

Mar-Dec 2020	COVID-19 pandemic state of emergency. Most county offices were closed, and public services limited or suspended. PIRO informally notifies counties that Veterans will not be unduly removed from RETX program during emergency period.
Dec 2020	At year-end review, P&S counts 294 outstanding applications, approximately ten percent of 2020 five-year review applications.
Dec 2020	P&S reaches out to Philadelphia and Allegheny County offices of tax assessment; these offices agree to a hold on close-outs.
29 Dec 2021	PIRO requests, TAG approves/forwards statutory waiver request to Governor.
07 Jan 2021	Governor's Office approves waiver. PIRO announces waiver to all counties.
Jan-Sep 2021	P&S continues sending standard correspondence (notice and follow-up letters) to Veterans due for five-year review throughout year, encouraging submission of applications. Monthly lists of Veterans due for review are emailed to county directors. Applications are adjudicated as received. Veterans who do not respond to notices and fail to submit applications are added to the waiver list. (These Veterans would typically be closed out.)
Sep 2021	P&S reconciles all names on waiver list with county property databases and publicly available information to determine whether Veterans may have transferred property or passed away. Approximately 45 Veterans are cleared from the waiver list in this manner. PPL agrees with 90-day period to close out waiver list.

30 Sep 2021	Pandemic state of emergency and waiver authority expire. 389 Veterans are on the waiver list at this time. 146 of those are in Philadelphia alone.
01 Oct 2021	Start final 90-day waiver close-out period. End-of-waiver notice mailed to all 389 Veterans. By-county lists mailed to all county directors requesting assistance contacting these Veterans.
15 Nov 2021	Follow-up correspondence is mailed to 349 Veterans remaining on waiver list.
31 Dec 2021	End of 90-day close-out period. 265 Veterans remain on the waiver list as of this date.
21 Jan 2022	After modifications to AIM system are made, correspondence is sent to county tax offices recommending close-out of tax exemptions for the 265 Veterans remaining on waiver list.
24 Jan 2022	P&S discussion with Philadelphia and Allegheny boards of assessment on further grace and/or local solutions for Veterans remaining on the list are occurring this week.

C. Of the 265 Veterans that remained on the waiver list at close-out, 115 (over 40 percent of the total) reside in Philadelphia and 27 in Allegheny County, with the balance spread rather evenly across the commonwealth. During the week of January 24, 2022, P&S will notify county offices of tax assessment to remove all Veterans remaining on the list from the RETX program. These Veterans will be added back onto their local property tax rolls. We are unable to decisively determine at this time how many of these Veterans may have transferred their property, passed away, or otherwise decided not to submit the five-year review application.

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