Legislation Details (With Text)

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Title: Ordinance amending the Pittsburgh Code, Title Two, Fiscal; Article IX, Property Taxes; Chapter 267, Exemptions for Industrial and Commercial Improvements; Section 267.03, Exemption Schedule; and Section 267.09, Participation by Allegheny County and Pittsburgh Board of Education, to extend the application periods for the exemptions set forth in Section 267.03, subsections (b) and (c), which were enacted pursuant to Ordinance 10 of 2007, to include applications filed on or after July 1, 2017 through December 31, 2017.

Sponsors:

Indexes: PGH. CODE ORDINANCES TITLE 02 - FISCAL

Code sections:

Attachments: 1. Summary 2017-1597.docx

Date	Ver.	Action By	Action	Result
6/23/2017	1	Mayor	Signed by the Mayor	
6/20/2017	1	City Council	Passed Finally	Pass
6/14/2017	1	Standing Committees	AFFIRMATIVELY RECOMMENDED	Pass
6/6/2017	1	City Council	Read and referred	

Ordinance amending the Pittsburgh Code, Title Two, Fiscal; Article IX, Property Taxes; Chapter 267, Exemptions for Industrial and Commercial Improvements; Section 267.03, Exemption Schedule; and Section 267.09, Participation by Allegheny County and Pittsburgh Board of Education, to extend the application periods for the exemptions set forth in Section 267.03, subsections (b) and (c), which were enacted pursuant to Ordinance 10 of 2007, to include applications filed on or after July 1, 2017 through December 31, 2017.

The Council of the City of Pittsburgh hereby enacts as follows:

Section 1. The Pittsburgh Code, Title Two, Fiscal; Article IX, Property Taxes; Chapter 267, Exemptions for Industrial and Commercial Improvements; Section 267.03, Exemption Schedule, is hereby amended to read as follows:

§267.03 EXEMPTION SCHEDULE.

Any person making improvements to deteriorated property or constructing or improving industrial, commercial or other business structures in deteriorated areas and/or in deteriorated underutilized transition areas may apply for and receive a tax exemption upon the improvements or construction as provided in the following schedule:

(a) With respect to improvements to deteriorated property or construction or improvements of industrial, commercial or other business structures in deteriorated areas, other than improvements constituting a qualified conversion to commercial residential use or a qualified conversion to residential use that are located in deteriorated underutilized transition areas:

(1) The exemption is granted to eligible properties located anywhere in deteriorated areas;

(2) The exemption granted is limited to a period of five (5) years, and the exemption from City real property tax shall not exceed fifty thousand dollars ($50,000.00) in any single year;

(3) The exemption granted shall be one hundred (100) percent of the real property tax upon the assessed valuation attributable to the construction or improvement.

(b) With respect to improvements constituting a qualified conversion to commercial residential use that are located in deteriorated underutilized transition areas:

(1) The exemption is granted to eligible properties located anywhere in deteriorated underutilized transition areas;

(2) The exemption granted is applicable to the real property tax upon the assessed valuation attributable to improvements to the converted residential portion or the residential portion of the new construction for commercial residential use (including related parking) and is limited to ten (10) years. For applications filed prior to July 1, 2007 or on or after **[July 1, 2017]** **December 31, 2017**, the exemption is one hundred (100) percent for the first two years and declines ten (10) percent for each two-year period thereafter with the exemption being sixty (60) percent in the ninth and tenth years. For applications filed on or after July 1, 2007 through **[June 30, 2017]** **December 31, 2017**, the exemption is one hundred (100) percent for a period of ten (10) years. No exemption applies in the eleventh year or thereafter. The exemption from City real property tax shall not exceed one hundred fifty thousand dollars ($150,000.00) in any single year.

(c) With respect to improvements constituting a qualified conversion to residential use that are located in deteriorated underutilized transition areas:

(1) The exemption is granted to eligible properties located anywhere in deteriorated underutilized transition areas for applications filed on or after July 1, 2007 through **[June 30, 2017]** **December 31, 2017**.

(2) The exemption granted is applicable to the real property tax upon the assessed valuation attributable to improvements to the converted residential portion (including related parking) and is limited to ten (10) years. The exemption is one hundred (100) percent for a period of ten (10) years. No

exemption applies in the eleventh year or thereafter. The exemption from City real property tax shall not exceed two thousand seven hundred dollars ($2,700.00) in any single year.

(d) Improvements to deteriorated property that have the effect of converting all or a portion of the property to a commercial residential use but do not satisfy the requirements of a "qualified conversion to commercial residential use" and construction of property containing space for commercial residential use but which does not satisfy the requirement "new construction for commercial residential use" may be eligible for the exemption described in subsection (a) above. In a building located in a deteriorated underutilized transition area for which there is a qualified conversion to commercial residential use or new construction for commercial residential use, subsection (b) above is applicable to the converted residential portion or the residential portion of the new construction for commercial residential use (including related parking) and subsection (a) above may be applicable to the remainder of the property.

(e) Local Economic Stimulus

Notwithstanding any other provision of this section to the contrary, with respect to all applications for exemption filed pursuant to any of the preceding subsections (a) through (d) for projects with a building permit that is issued during the period of January 1, 2012 through June 30, 2012, as to which a building permit has been issued reflecting a cost in excess of one million dollars ($1,000,000.00) for the improvements or construction, exemption is granted in accordance with the following schedule, which schedule shall apply in lieu of any other schedule set forth in the preceding subsections:

(1) The exemption from City real property tax shall be applicable only to that portion of the assessed valuation attributable to the construction or improvements that exceeds 100% of the assessed valuation prior to the issuance of the building permit and is limited to ten (10) years.

(2) The exemption from City real property tax shall not exceed two hundred fifty thousand dollars ($250,000.00) in any single year.

(3) The exemption is one hundred (100) percent for the first two years and declines ten (10) percent for each two-year period thereafter with the exemption being sixty (60) percent in the ninth and tenth years. No exemption applies in the eleventh year or thereafter.

A project may choose to file for an abatement under any of the preceding subsections (a) through (d) if applicable.

Section 2. The Pittsburgh Code, Title Two, Fiscal; Article IX, Property Taxes; Chapter 267, Exemptions for Industrial and Commercial Improvements; Section 267.09, Participation by Allegheny County and

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Pittsburgh Board of Education, is hereby amended to read as follows:

§ 267.09 PARTICIPATION BY ALLEGHENY COUNTY AND PITTSBURGH BOARD OF EDUCATION.

Prior to implementation of this Chapter, the City shall enter into the appropriate cooperation agreements with the County of Allegheny and the Pittsburgh Board of Education so as to require these taxing bodies to participate with the City of Pittsburgh in the LERTA PROGRAM as enumerated in this Chapter. Except as otherwise expressly stated, the City of Pittsburgh cannot unilaterally implement the amendments to this Chapter without the full participation by the County of Allegheny and the Pittsburgh Board of Education. This requirement shall not apply to any applications for exemption filed on or after July 1, 2007 through **[June 30, 2017]** **December 31, 2017** pursuant to any amendments to this Chapter which have been adopted and are applicable solely to applications filed during said [five] ten-year period.

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