



City of Pittsburgh

510 City-County Building
414 Grant Street
Pittsburgh, PA 15219

Text File

Introduced: 12/19/2019

Bill No: 2019-2421, **Version:** 1

Committee: Committee on Finance and Law

Status: Passed Finally

Ordinance amending and supplementing the Pittsburgh Code of Ordinances at Title Two: Fiscal, Article IX: Property Taxes, Chapter 265: Exemptions for Residential Improvements, Sections 265.04 and 265.09, and Chapter 267: Exemptions for Industrial and Commercial Improvements, Sections 267.03 and 267.07 to change the effective date to April 1, 2020.

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

Section 1. The Pittsburgh Code is hereby amended at Title Two: Fiscal, Article IX: Property Taxes, Chapter 265: Exemptions for Residential Improvements, Sections 265.04 and 265.09, and Chapter 267: Exemptions for Industrial and Commercial Improvements, Sections 267.03 and 267.07 to change the effective date to April 1, 2020.

CHAPTER 265: - EXEMPTIONS FOR RESIDENTIAL IMPROVEMENTS

§ 265.04 - EXEMPTION FOR RESIDENTIAL CONSTRUCTION.

Persons responsible or liable for the payment of taxes due on residential units in any of the deteriorated areas enumerated in Section 265.02, may apply for and receive tax exemption on new residential construction in accordance with the procedures and schedules as herein provided:

- (a) Any exemption from taxes shall be limited to the assessed valuation attributable to the cost of construction of the new residential unit, not in excess of the uniform maximum cost per dwelling unit specified in subsection (b) hereof. If the actual cost of construction, as determined by the Board, exceeds the maximum cost per dwelling unit, the Board shall decrease the assessment valuation eligible for exemption in the same proportion as the actual cost of the construction exceeds the maximum cost.
- (b) The uniform maximum cost per dwelling unit shall be one hundred seventy-five thousand dollars (\$175,000.00) for 2020. For subsequent years, the uniform maximum cost per dwelling unit shall be determined by the Finance Director. It shall be the amount produced when the maximum cost for the preceding year is multiplied by the ratio of the U.S. Bureau of the Census New One-Family Houses Price Index for the current year to the Index for the preceding year. The date of the construction shall be the date of receipt by the Board of the notification of completion of construction from the applicant in writing on a form prescribed by the Board.

EXAMPLE:

| Multiplicand | Maximum cost for the preceding year |
|--------------|-------------------------------------|
| - | |

| | |
|----------------|---|
| × Multiplier - | Ratio of U.S. Bureau of Census New One-Family Houses Price Index for the current year to the Index for the preceding year |
| _____ | |
| = Product - | Maximum cost for current year |

This product shall be determined by the Finance Director.

- (c) The maximum assessment eligible for the exemption of taxes shall be the assessed valuation attributable to the uniform maximum cost of construction.
- (d) Any exemption from taxes on the eligible amount of assessed valuation attributable to new construction shall commence in the tax year immediately following the year in which the occupancy permit is issued, providing that an assessment valuation attributable to the new construction has been certified by the Board. If no certification has been made in the year following issuance of the occupancy permit, then exemption shall commence in the first year in which real property taxes are assessed and imposed on residential units following construction.
- (e) Except as to exemption applications filed pursuant to paragraph (g) of this section, for the first, second and third year for which newly constructed residential unit or units would otherwise be taxable, one hundred (100) percent of the eligible assessment on buildings shall be exempt from taxation; after the third year the exemption from taxation shall terminate.
- (f) If a residential unit is granted exemption from taxes under this Chapter, that property shall not be considered as a factor in assessing the value of other properties in the same area during the period in which the exemption exists.
- (g) For exemption applications filed on or after ~~January 1, 2020~~ **April 1, 2020**, on new residential construction that adhere to the Program Enhancement Guidelines, as defined in Section 265.06(c), the uniform maximum cost per dwelling unit shall be two hundred fifty thousand dollars (\$250,000.00) per year for a period of ten (10) years. Subject to said uniform maximum cost per dwelling unit, one hundred (100) percent of the eligible assessment on buildings shall be exempt from taxation; after the tenth year, the exemption from taxation shall terminate.
- (h) In lieu of any other exemptions authorized pursuant to this Section 265.04, for properties within the Lower Hill District, one hundred (100) percent of real estate taxes attributable to the cost of residential construction shall be exempted, provided, however, that the amount exempted from real estate taxes per property shall not exceed two hundred fifty thousand dollars (\$250,000.00) in any single year. The exemption from taxes with respect to properties within the Lower Hill District is granted for a period of ten (10) years. No applicant for exemption shall structure the purchase or sale of any property within the Lower Hill District in a manner which attempts to avoid paying realty transfer taxes to the City. Exceptions from this requirement will be granted in the case of (a) sheriff or tax claim sales; (b) corrective deeds; and (c) a transfer to the holder of a bona fide mortgage in default in lieu of foreclosure, or a transfer pursuant to a judicial sale in which the successful bidder is the bona fide holder of a mortgage.

§ 265.09 - EFFECTIVE DATE.

The provisions of this Chapter shall become effective January 1, 1980 and shall remain in effect from year to year thereafter. The revisions to the Chapter at Sections 265.03, 265.04, 265.06, and 265.10 through Ordinance Number [XXX-2019], as assigned by the City Clerk, shall become effective ~~January 1, 2020~~ **April 1, 2020**, and remain in effect from year to year thereafter.

CHAPTER 267: - EXEMPTIONS FOR INDUSTRIAL AND COMMERCIAL IMPROVEMENTS

§ 267.03 - EXEMPTION SCHEDULE.

Any person making improvements to deteriorated property or constructing or improving commercial residential, industrial, commercial or other business structures in deteriorated areas 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, including improvements constituting a qualified conversion to commercial residential use or new construction for commercial residential use:
 - (1) The exemption is granted to eligible properties located anywhere in deteriorated areas;
 - (2) The exemption from City real property tax shall be applicable only to that portion of the assessed valuation attributable to the construction or improvement that exceeds one hundred (100) percent of the assessed valuation prior to the issuance of the building permit.
 - (3) The exemption granted is limited to a period of three (3) years, and the exemption from City real property tax shall not exceed one hundred twenty-five thousand dollars (\$125,000.00) in any single year;
 - (4) The exemption granted is one hundred (100) percent for the three (3) years. No exemption applies in the fourth year or thereafter.
- (b) With respect to applications filed on or after ~~January 1, 2020~~ **April 1, 2020** on improvements to deteriorated property or construction or improvement of industrial, commercial or other business structures in deteriorated areas, including improvements constituting a qualified conversion to commercial residential use or new construction for commercial residential use that adhere to the Program Enhancement Guidelines, as defined in Section 267.05(e):
 - (1) The exemption is granted to eligible properties located anywhere in deteriorated areas.
 - (2) 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 one hundred (100) percent of the assessed valuation prior to the issuance of the building permit and is limited to ten (10) years.
 - (3) The exemption from City real property tax shall not exceed two hundred fifty thousand dollars (\$250,000.00) in any single year.
 - (4) The exemption is one hundred (100) percent for ten (10). 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 (b) if applicable.

(c) With respect to improvements to deteriorated property or constructing or improving industrial, commercial or other business structures in the Lower Hill District:

(1) The exemption is granted for a period of ten (10) years; and

(2) One hundred (100) percent of real estate taxes attributable to the cost of new construction or improvements shall be exempted, provided, however, that the amount exempted from real estate taxes per property shall not exceed two hundred fifty thousand dollars (\$250,000.00) in any single year.

§ 267.07 - EFFECTIVE DATE AND TERMINATION.

The provisions of this Chapter, as amended, shall apply to all applications filed from and after the effective date hereof and through the tenth anniversary of such effective date, other than applications for exemption of properties within the Lower Hill District pursuant to Section 267.03(f), which may be filed at any time prior to April 1, 2040. The cost of new construction or improvements to be exempted and the schedule of taxes exempted existing at the time of the initial request for tax exemption shall be applicable to that exemption request, and subsequent amendment to this Chapter, if any, shall not be applied retroactively, and no improvements or construction for which a building permit has already been issued shall be eligible for an exemption not codified at such a time. The revisions to the Chapter through Ordinance Number 30 of 2019, as assigned by the City Clerk, shall become effective ~~January 1, 2020~~ **April 1, 2020**, and remain in effect from year to year thereafter.