



Text File

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Bill No: 2019-1345, **Version:** 1

Committee: Committee on Finance and Law

Status: Passed Finally

Ordinance amending and supplementing the Pittsburgh City Code at Title Two: Fiscal, Article IX: Property Taxes, Chapter 267: Exemptions for Industrial and Commercial Improvements, Section 267.03: Exemption Schedule, Subsection (e) to include applications filed during the period of June 30, 2017 until legislation establishing a new program has been adopted or the program is terminated.

WHEREAS, per Ordinance 12 of 2012, City Council changed the filing deadline for the-then new Local Economic Stimulus Program (“LES”) to extend it to June 30, 2017; and

WHEREAS, the most recent amendment to Chapter 267(c) Exemption Schedule, per 22 of 2018, indicated an intent in the recital clauses to extend various dates for application to the LERTA Program, including the LES, but did not include a formal parallel extension of the LES in the ordinance itself, unintentionally leaving an eligibility gap; and

WHEREAS, it was and remains the intent of City Council to also extend the LES until a new program is created or the program is terminated; and

WHEREAS, it is the intent of this legislation to document and ensure that this extension of the LES applies retroactively from June 30, 2017, such that all prior applicants since that date do not need to reapply for abatements due to this oversight.

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

Section 1. Pittsburgh City Code Section 267.03(e) is hereby amended 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 August 31, 2018, or until legislation establishing a new program has been adopted, the exemption is one hundred (100) percent for the first two (2) 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 August 31, 2018, or until legislation establishing a new program has been adopted, 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 August 31, 2018, or until legislation establishing a new program has been adopted.
 - (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 30, 2012 through June 30, 2017~~ **until legislation establishing a new program has been adopted, or the program is terminated** 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 one hundred (100) percent 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 (2) 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.

- (f) 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.