

NO. 11-20-OR

ORDINANCE

An ordinance authorizing the County of Allegheny levying an Allegheny County Demolition Fund fee of fifteen dollars (\$15.00) on each mortgage and deed recorded in Allegheny County, to be used for the purpose of funding demolition of blighted properties situate in the County in accordance with the provisions of 42 P.S. §21052.2.

Whereas, Act 152 of 2016, effective January 3, 2017 and amending 42 P.S. §21052.2, allows all counties within the Commonwealth of Pennsylvania to impose a \$15.00 fee on all mortgage and deed recording transactions at their discretion, via legislative action; and;

Whereas, under the terms of §21052.2(b), the Demolition Fund Fee, if imposed, must be placed into a county demolition fund and used exclusively for the demolition of blighted property located within the County, as defined by the Abandoned and Blighted Property Conservatorship Act, 68 P.S. §1101 *et. seq.*; and

Whereas, pursuant to §21052.2(c)(1)(i), imposition of the Demolition Fund Fee requires that the County file an initial report delineating a plan for fund expenditures, an estimate for how many properties will be demolished, and other information relevant to the demolition program with the Department of Community and Economic Development (DCED) no later than 90 days after the imposition of the Fee; and

Whereas, also under the terms of §21052.2(c)(1)(ii), imposition of the Demolition Fund Fee also requires that the County file an annual report with DCED no later than 12 months after the imposition of the Fee and each year thereafter, with such annual reports to describe the number of properties demolished, the cost per demolition, and other information relevant to the demolition program; and

Whereas, the authorization for the Demolition Fund Fee currently expires ten years from the effective date of Act 152, or on January 4, 2027, pursuant to the terms of §21052.2(d); and

Whereas, within Allegheny County, 166,408 deed and mortgage transactions took place in 2012, with 160,378 such transactions in 2013, 129,219 transactions in 2014, 138,035 transactions in 2015, 138,021 in 2016, 135,381 in 2017 and 127,565 in 2018, which demonstrates that the Demolition Fund Fee would have raised between \$1.9 million and \$2.5 million in each of these years to aid in demolishing blighted property within the County, had Act 152 been in force; and

Whereas, assuming a \$10,000 to \$12,000 average demolition cost, Demolition Fund Fee receipts of \$2 million in a given year would fund the demolition of approximately 167 to 200 blighted properties;

Whereas, this revenue stream would be an invaluable supplement to existing Federal Community Development Block Grant demolition funds, the annual amount of which has consistently fallen over recent years, and which currently totals only about \$500,000 per year; and

Whereas, it is the judgment of Council that demolition of blighted properties can mitigate the potential dangers created by unsafe structures and facilitate investment in the properties involved once they become vacant, can be used to remove overabundances of structures that are unusable and extremely difficult or impossible to sell, and can result in significant property value increases in the blighted area(s) in which appropriate and well-planned demolition activities are undertaken; and

Whereas, it is further the judgment of Council that, by selectively removing structures that are dilapidated, unsafe, or too expensive to repair, demolition lowers the cost of maintaining properties because vacant lots are less expensive to maintain than blighted properties, and parcels rendered vacant via demolition can also be used temporarily or permanently for purposes that benefit the community, such as small parks, community gardens, or stormwater management; and

Whereas, Allegheny County Council is expressly vested with the power and duty to levy fees, under the terms of Article IV, §2(b) of the Home Rule Charter of Allegheny County; and

Whereas, pursuant to the Administrative Code of Allegheny County, §5-311.09, the establishment of a new fee shall only be approved upon an affirmative vote of at least two thirds of the seated members of Council;

The Council of the County of Allegheny hereby enacts as follows:

SECTION 1. Incorporation of the Preamble.

The provisions set forth in the preamble to this Ordinance are incorporated by reference in their entirety herein.

SECTION 2. Council Finding.

Allegheny County Council hereby finds that levying a \$15.00 Allegheny County Demolition Fund Fee for each mortgage and deed recorded within the County will inure

to the benefit of the health, safety and well-being of the County's residents, while encouraging economic development and strengthening the tax bases of the County's municipalities and school districts.

SECTION 3. Fee Levy; Collection.

In accordance with the provisions of Article IV, §2(b) of the Home Rule Charter of Allegheny County, there is hereby levied an Allegheny County Demolition Fund Fee of \$15.00, to be applied to each deed or mortgage recorded in Allegheny County. The Fee levied herein shall be collected by the Allegheny County Division of Real Estate or any successor entity administering mortgage and/or deed recording transactions, contemporaneously with the County's regular recording fee, and no deed or mortgage shall be recorded until the Demolition Fund Fee is paid in full. Upon collection, the Allegheny County Demolition Fund Fee shall be deposited into a special account to be known as the Allegheny County Demolition Fund, in accordance with the provisions of 42 P.S. §21052.2.

SECTION 4. Fee Revenue Use.

The fees collected pursuant to this Ordinance shall be expended by Allegheny County exclusively for the purpose of funding demolition of blighted property situate in the County, as administered by the Allegheny County Department of Economic Development in accordance with the terms of 42 P.S. §21052.2.

SECTION 5. Effective Date of Ordinance.

The provisions of this Ordinance shall become effective immediately upon final approval.

SECTION 6. Sunset.

The terms of this ordinance shall automatically expire as provided for at 42 P.S. 21052.2(d) or, should that Section be amended or otherwise altered by subsequent enactment, any successor statute(s).

SECTION 7. Severability. If any provision of this Ordinance shall be determined to be unlawful, invalid, void or unenforceable, then that provision shall be considered severable from the remaining provisions of this Ordinance which shall be in full force and effect.


SECTION 8. Repealer. Any Resolution or Ordinance or part thereof conflicting with the provisions of this Ordinance is hereby repealed so far as the same affects this Ordinance.

PRIMARY SPONSOR: VICE PRESIDENT MACEY


CO-SPONSORS: PRESIDENT CATENA

Enacted in Council, this 7th day of April, 2020,

Council Agenda No. 11356-20



Patrick Catena
President of Council

Attest: 
Jared E. Barker, Chief Clerk
Allegheny County Council

Chief Executive Office April 8th, 2020

Approved: 
Rich Fitzgerald
Chief Executive

Attest: 

Jennifer M. Liptak