

Bill No. 8092-14

No. 06-14-RE

A RESOLUTION

A resolution amending the New Home Construction/Improvement Program Resolution enacted May 23, 1996 by the Board of Commissioners of Allegheny County at Agenda No. 700-96, subsequently amended by Resolutions Nos. 22-00, 6-01, 61-02, 04-04-RE, 49-05-RE, 07-08-RE, 25-09-RE, and 30-11-RE by providing for the continuation of the Allegheny County New Home Construction and Improvement Exemption Programs.

Whereas, the New Home Construction Local Tax Abatement Act, Pa. Stat. Ann. Tit. 72 §4754-1 et seq., otherwise known as Act 202, authorizes local taxing authorities to exempt new residential construction from real estate taxation for specific periods of time when the construction is located on unimproved residential property; and

Whereas, the Improvement of Deteriorating Real Property or Areas Tax Exemption Act, Pa. Stat. An. Tit. 72 §4711-101 et seq., otherwise known as Act 42, authorizes local taxing authorities to exempt the assessed valuation of improvement of deteriorated properties from real estate taxation for specified amount and periods of time when the property is located in a deteriorated neighborhood; and

Whereas, on May 23, 1996, the Board of Commissioners of Allegheny County exercised the legal authority granted by Act 202 and Act 42 by formally adopting a resolution establishing the “New Home Construction/Improvement Exemption Program,” an action which was confirmed through resolutions in 2000, 2001, 2002, 2004, 2005, 2008, 2009, and 2011 by Allegheny County Council to extend the deadline for the programs; and

Whereas, Allegheny County Council finds that the continuation of the New Home Construction/Improvement Exemption Programs will inure to the benefit of the citizenry of Allegheny County; and

Whereas, it is the judgment of Council that the appropriate amount of the New Home Construction (Act 202) abatement should be fifty percent (50%) of the assessed valuation attributable to the actual cost of construction of new residential units; and

Whereas, in 2001, Allegheny County Council changed the maximum amount of the Act 42 exemption to thirty-six thousand and nine dollars; and

Whereas, Act 42 limits the amount of the exemption to the “actual cost of improvements up to the maximum cost [specified by a local taxing authority]”; and

Whereas, the 2001 amendment to the Improvement Exemption Program in comporting with state law also provided for an inflation multiplier to be implemented by the Property

Assessment Board as the maximum cost for the preceding year multiplied by the ratio of the U.S. Bureau of the Census New One Family Price Index for the current year to such index for the preceding year; and

Whereas, this calculation has never been used to change the amount of the maximum cost of improvement exemption since it was enacted in 2001; and

Whereas, it is the desire of Council to provide for the inflation multiplier authorized by Act 42.

The Council of County of Allegheny hereby resolves as follows:

Section 1. Incorporation of the Preamble.

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

Section 2. Home Improvement Exemption Program Amendment

Section 3(b) of the former County Commissioners' resolution enacted May 23, 1996 at agenda number 700-96 is hereby amended as follows:

- "(b) The maximum cost of improvements per dwelling unit eligible for exemption in the year ~~2001~~ 2014 shall be ~~THIRTY-SIX THOUSAND AND NINE DOLLARS~~ SIXTY SIX THOUSAND DOLLARS (\$66,000). Maximum costs for improvements made during each subsequent year shall be determined by the Board. It shall be the maximum cost for the preceding year multiplied by the ratio of the United States Bureau of the Census New One-Family Houses Price Index for the current year to such index for the preceding year. The date of making the improvement shall be the date of the issuance of the building permit, improvement record or other required notification of improvement. No tax exemption shall be granted under the provision of this chapter for any improvements to any dwelling unit in excess of the maximum cost specified herein.

Section 3. Amendment of New Home Construction/Improvement Program Resolution; Amount

Section 4 of the New Home Construction/Improvement Program Resolution of May 23, 1996, adopted by the Board of County Commissioners of Allegheny County, and subsequently amended by Allegheny County Council, is hereby amended as follows:

Section 4. EXEMPTION FOR RESIDENTIAL CONSTRUCTION

Persons responsible or liable for the payment of taxes due on residential units erected or constructed on unimproved residential properties in the County may apply for and receive tax exemption on new residential construction in accordance with procedures and schedules herein provided.

- (a) Any exemption from taxes shall be limited to fifty percent (50%) of the assessed valuation attributable to the actual cost of construction of the new residential unit. No other maximum cost per unit cap shall be imposed on the exemption for assessed valuation attributable to the actual cost of construction of new residential units erected on unimproved residential property.
- (b) Any exemption from taxes on the eligible amount of assessed valuation attributable to new construction shall commence on the tax year immediately following the year in which the building permit is issued, providing that an assessment valuation attributable to the new construction has been certified by the Board Chief Assessment Officer. If no such certification has been made in the year following issuance of the building permit, then exemption shall commence in the first year in which real property taxes are assessed and imposed on such residential units following construction.
- (c) The length of the time for the abatement of County taxes attributable to the increased valuation due to the new construction shall not exceed two (2) years.
- (d) 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.

Section 4. Amendment of New Home Construction/Improvement Program Resolution; Term

Section 8 of the New Home Construction/Improvement Program Resolution of May 23, 1996, adopted by the Board of County Commissioners of Allegheny County, and subsequently amended by Allegheny County Council, is hereby amended as follows:

Section 8. EFFECTIVE DATE

- A. The Improvement of Deteriorated Properties Abatement Program established pursuant to Act 42 in Section 3 of this Resolution shall commence January 1, 1996 and shall remain in effect until December 31, ~~2013~~ 2015.
- B. The New Home Construction Abatement Program established pursuant to Act 202 in Section 4 of this Resolution shall commence January 1, 1996 and shall remain in effect until December 31, ~~2013~~ 2015.

- C. Notwithstanding the above, any tax exemption granted in the ~~fiscal~~ final year of the term of either the Improvement of Deteriorated Properties Abatement Program or the New Home Construction Abatement Program shall expire even though the entire exemption period for improvements or new construction shall not have expired.

Section 5. Full Force and Effect

Except for the changes set forth in Section 1 above, all provisions of the New Home Construction/Improvement Program Resolution of May 23, 1996, as amended, shall remain in full force and effect.

Section 6. Severability. If any provision of this Resolution shall be determined to be unlawful, invalid, void or unenforceable, then that provision shall be considered severable from the remaining provisions of this Resolution which shall be in full force and effect.

Section 7. Repealer. Any resolution or ordinance or part thereof conflicting with the provisions of this Resolution is hereby repealed so far as the same affects this Resolution.

PRIMARY SPONSOR: Council Member Finnerty

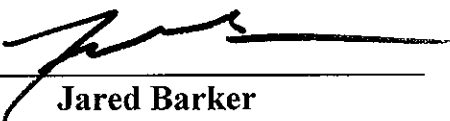
CO-SPONSORS: President DeFazio, Vice President Futules, and Council Members Ellenbogen, Macey and Palmiere

Enacted in Council, this 18th day of February, 2014,

Council Agenda No. 8092-14



John DeFazio
President of Council

Attest: 

Jared Barker
Chief Clerk

Chief Executive Office February 24, 2014

Approved: 

Rich Fitzgerald
Chief Executive

Attest: 

Sonya Dietz
Executive Secretary