



Allegheny County Council

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Legislation Text

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A resolution amending the New Home Construction/Improvement Program 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, 30-11-RE and 6-14-RE by providing for the continuation of the Allegheny County New Home Construction/Improvement Exemption Program.

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, 2011 and amended by resolution 6-14-RE by Allegheny County Council; and

Whereas, the New Home Construction/Improvement Exemption Program currently benefits 2,010 parcels and would continue to contribute to the general welfare of the citizenry of Allegheny County by spurring economic activity and promoting improvement in the area's housing stock; and

Whereas, the number of parcels which are granted pursuant to the Act 202, New Home Construction Program, greatly exceed the amount of parcels seeking an improvement exemption under Act 42 and have contributed to the improvement of 9,181 parcels since 2010, making the New Home Construction abatement far more successful at generating taxable improved parcels in the County; and

Whereas, the County has approved many tax abatements through the Tax Increment Financing and LERTA Acts demonstrating its commitment to abatement bolstered commercial real estate development, the restoration of the New Home Construction abatement will demonstrate a commitment to the development and improvement of single family detached residential housing units as well; and

Whereas, statistics from the Builders Association of Metropolitan Pittsburgh show that there has been an increase of construction of single family attached housing, including apartment complexes, condominiums

and larger-scale non-traditional homes, in the region over the past few years yet in those same years, single family detached construction has severely lagged behind; and

Whereas, single family detached homes tend to be non-rental homes that drive long-term investment and commitment to local communities and are the desired type of construction to bolster education funding and over-all stability; and

Whereas, smaller vacant parcels which are ideal for single family detached homes would not be subject to the abatement for improvements to existing structures covered by Act 42 exemptions; and

Whereas, without providing for such an abatement/exemption we are excluding an entire group of citizens which could benefit the county by creating new homes in communities while consistently providing tax abatements to large developers of high-end rental housing developments through TIF's and LERTAs; and

Whereas, such a message does not support the goal of supporting local families in their pursuit of individual home ownership and the hope that Allegheny county serve as a model of a community that rises from post-industrial blight and renews itself; and

Whereas, without providing for such an abatement/exemption, the County risks excluding new developments which create jobs and contribute to local spending as well as a substantial number of citizens who could benefit the county by curing blight, and by creating new homes in existing troubled communities; and

Whereas, the New Home Construction/Improvement Exemption Program incentivizes individuals and families to stay within the county, creating a strong and stable population contributing to the property taxes used to fund education and other necessary services;

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. 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 set to seventy five percent (75%) 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 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 3. 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 06-14-RE, 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, 2018.
- B. The New Home Construction Abatement Program established pursuant to Act 202 in Section 4 of this Resolution shall commence January 1, 1996, at an abatement of 75% of the assessed valuation attributable to the actual cost of construction of the new residential unit and shall remain in effect until December 31, 2018.
- C. Any person who has applied for and been granted an exemption pursuant to this section prior to December 31, 2018, shall retain their exemption at the abatement percentage offered at the commencement of the application process for a full two-year term regardless of amendments made to the program during the renewal period.

Section 4. Full Force and Effect

Except for the changes set forth in Section 1, 2 and 3 above, all provisions of the New Home Construction/Improvement Program shall remain in full force and effect.

Section 5. 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 6. 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.