

**Sec. 58-96. Exemption of real estate taxes for certain rehabilitated or renovated residential and commercial real estate.**

**(a) Definitions.** For the purpose of this section, the following words and phrases shall have the meaning respectively ascribed to them by this subsection unless another meaning shall clearly appear from the text:

(1) Substantially rehabilitated or renovated residential/multifamily (6 units or more) real estate: Real estate upon which there is an existing residential or multifamily structure, which is no less than forty (40) years of age, and which has been so improved as to increase the assessed value of the structure by no less than ten (10) per cent without increasing the total square footage of such structure by more than fifteen (15) per cent. An addition to an existing residential or multifamily structure shall not qualify as substantial rehabilitation or replacement unless there is also simultaneous rehabilitation or renovation of the existing structure. In order for an addition to an existing structure to qualify as substantial rehabilitation or renovation, the addition must be for improvements to the living areas of the structure, such as bathrooms, kitchens, bedrooms and similar facilities. Additions for such things as garages, carports, swimming pools, porches, decks, patios and similar facilities that are not used as living areas for the structure shall not be eligible for a tax exemption.

(2) Substantially rehabilitated or renovated commercial real estate: Any real estate upon which there is an existing commercial structure which is no less than forty (40) years of age, and which has been so improved as to increase the assessed value of the structure by no less than fifty (50) per cent without increasing the total square footage of such structure by more than 15%.

(3) Base value: The assessed value of any structure covered by this section prior to the commencement of rehabilitation or renovation work, as determined by the commissioner of revenue upon receipt of an eligible application for rehabilitated or renovated real estate tax exemption and after a physical inspection of the property by an assessor from the commissioner of revenue's office.

(4) Rehabilitated or renovated real estate tax exemption: An amount equal to the increase in assessed value resulting from the substantial rehabilitation or renovation of a structure as determined by the commissioner of revenue and this amount only should be applicable to subsequent tax exemption.

(5) Taxable year: For the purpose of this section, the calendar year from January 1 through December 31 for which such real estate tax is imposed for the exemption claimed.

(6) Owner: The person or entity in whose name the structure is titled and who is legally obligated to pay real estate taxes assessed against the structure.

**(b) Rehabilitated or renovated real estate tax exemptions.** It is hereby declared to be the purpose of this section to authorize a rehabilitated or renovated real estate tax exemption for substantially rehabilitated or renovated residential, multifamily, or commercial real estate located within the county. For each property that qualifies, the rehabilitated or renovated real estate tax exemption shall be effective for a period of five (5) years commencing on January 1 for any work completed during the preceding calendar year at a descending rate over the five (5) year period as follows:

Year 1:	100%
Year 2:	80%
Year 3:	60%
Year 4:	40%
Year 5:	20%
Year 6:	0%

An increase in assessment occurring after the first year of the exemption shall not result in an increase in the exemption. In no case shall an exemption be permitted if the assessed value falls below the base value in any given year.

**(c) Usual and customary methods of assessing.** In determining the base value and the increased value resulting from substantial rehabilitation or renovation of residential, multifamily, or commercial real estate, the commissioner of revenue shall employ usual and customary methods of assessing real estate.

**(d) Eligibility requirements:**

(1) An application to qualify a structure as a substantially rehabilitated or renovated residential, multifamily, or commercial structure must be filed with the commissioner of the revenue's office before work is started. Applications may be obtained from the commissioner of the revenue's office.

(2) Upon receipt of an application for rehabilitated or renovated real estate tax exemption, an assessor from the commissioner of revenue's office shall make a physical inspection of the structure and determine the assessed base value of the structure. If work has been started prior to the first inspection; the base value will include any work started and will reflect the market value of the structure as of the date of the first inspection.

(3) The application to qualify shall be effective for a period of two (2) years from the date of filing. No extensions of this time period will be granted.

(4) Upon completion of the rehabilitation or renovation, the owner of the property shall notify the commissioner of revenue in writing, and an assessor from the commissioner of revenue's office shall physically inspect the property and perform an after-rehabilitation or renovation appraisal to determine if it then qualifies for the rehabilitated or renovated real estate tax exemption.

(5) Upon determination that the property has been substantially rehabilitated or renovated pursuant to the terms of this section, the rehabilitated or renovated real estate tax exemption shall become effective for a period as provided in paragraph (b) hereof.

(6) Prior to a determination that the property has been substantially rehabilitated or renovated, the owner of the property shall continue to be subject to taxation upon the full value of the property, as otherwise authorized by this code.

(7) No improvements made upon vacant land nor total replacement of residential, multifamily, or commercial structures shall be eligible for rehabilitated or renovated real estate tax exemption as provided by this section.

(8) No property shall be eligible for such exemption unless the appropriate building permits have been acquired and the commissioner of revenue has verified that the rehabilitation or renovation indicated on the application has been completed.

(9) Multifamily residential structures after rehabilitation or renovation is completed shall remain as such or may be used as single-family residences for the remainder of the exemption period.

(10) There shall be a non-refundable fee of fifty dollars (\$50.00) for processing each residential application and one hundred dollars (\$100.00) for processing each multi-family or commercial application under this section.

(11) The property must at all times be in compliance with all Allegheny county codes including, without limitation, the building code, the zoning ordinance and all other codes that relate to real estate within the county of Allegheny. Failure to correct the violation within the required time, as provided by the appropriate official, will void the remainder of the exemption. If a structure is damaged or destroyed and found to be uninhabitable, the exemption will be terminated.

(12) No exemption shall be granted if access to the property is denied to the commissioner of revenue or the building inspector.

(13) All taxes must be paid and current to be eligible for an exemption. If the commissioner of revenue is notified by the treasurer that the property is more than thirty (30) days delinquent on taxes, then the remainder of the exemption will be void.

(14) Only one rehabilitation or renovation exemption may be active for a parcel at any given time.

**(e) Exemption to run with the land.** The rehabilitated or renovated real estate tax exemption shall run with the land, and the owner of such property during each of the years of exemption shall be entitled to the amount of partial exemption.

**(f) Effect on land book assessment.** Nothing in this section shall be construed as to permit the commissioner of revenue to list upon the land books any reduced value due to the exemption determined as provided in subsection (b) of this section.