



Legislation Details (With Text)

File #: 2025-1605 **Version:** 2

Type: Ordinance **Status:** Died due to expiration of legislative council session

File created: 3/7/2025 **In control:** Committee on Hearings

On agenda: 3/11/2025 **Final action:** 12/31/2025

Enactment date: **Enactment #:**

Effective date:

Title: Ordinance amending the Pittsburgh City Code, Title Two: Fiscal, Article IX: Property Taxes, Chapter 263: Real Property Tax and Exemption, Subchapter B: Exemption, by replacing Sections 263.11 through 263.14 with new Sections 263.11 through 263.16, collectively to be titled Subchapter B: Tax Exemptions for Longtime Owner-Occupants of Residential Properties.

Sponsors:

Indexes: PGH. CODE ORDINANCES TITLE 02 - FISCAL

Code sections:

Attachments: 1. 2025-1605 Cover Letter-LOOP Cover Letter 3.4.25, 2. Summary 2025-1605

Date	Ver.	Action By	Action	Result
12/31/2025	2	City Council	Died due to expiration of legislative term	
3/19/2025	2	Standing Committees	AMENDED	Pass
3/19/2025	2	Standing Committees	Held for Cablecast Public Hearing	Pass
3/11/2025	1	City Council	Read and referred	

Ordinance amending the Pittsburgh City Code, Title Two: Fiscal, Article IX: Property Taxes, Chapter 263: Real Property Tax and Exemption, Subchapter B: Exemption, by replacing Sections 263.11 through 263.14 with new Sections 263.11 through 263.16, collectively to be titled Subchapter B: Tax Exemptions for Longtime Owner-Occupants of Residential Properties.

Be it resolved by the Council of the City of Pittsburgh as follows:

Section 1. The Pittsburgh Code, Title Two: Fiscal, Article IX: Property Taxes, Chapter 263: Real Property Tax and Exemption, Subchapter B: Exemption, is removed in its entirety and replaced by the addition of:

Subchapter B. EXEMPTION TAX EXEMPTIONS FOR LONGTIME OWNER-OCCUPANTS OF RESIDENTIAL PROPERTIES

§ 263.11. Definitions: Declaration of Policy.

(a) LONG-TIME OWNER/OCCUPANT

~~Any person who for at least ten (10) continuous years has owned and occupied the same dwelling place as a principal residence and domicile, or any person who for at least five (5) years has owned and occupied the same dwelling as a principal residence and domicile if that person received assistance in the acquisition of the property as part of a government or nonprofit housing program.~~

~~(b) PRINCIPAL RESIDENCE~~

~~The dwelling house of the person including the principal house and lots used in connection therewith, which contribute to enjoyment, comfort and convenience. For purposes of the State Act and this Chapter, the term may also include a building with a maximum of one (1) commercial establishment and a maximum of three (3) residential units of which one (1) residential unit must be the principal residence of the long time owner/occupant.~~

~~(c) MARKET VALUE INCREASE~~

~~Any increase in the market value of real estate which exceeds five (5) percent from the previously established market value shall be considered to be attributable to the refurbishing or renovating of other residences or the construction of new residences. Any increase in value attributable to the physical improvement of the subject property shall be excluded from consideration for exemption.~~

~~(d) EXEMPTION~~

~~The increase in market value which exceeds five (5) percent from the previously established market value may be eligible for exemption if the criteria of eligibility, as determined by Act 146 of 1988, City of Pittsburgh Ordinance No. 2-1993 (Sections 263.11 to 263.14), and Rules and Regulations established by the City Department of Finance.~~

The City of Pittsburgh has determined that:

- (a) Numerous long-established residential areas and areas of deteriorated, vacant, or abandoned homes and properties located throughout the City of Pittsburgh are already experiencing or have been targeted for redevelopment and, as a result, are particularly vulnerable to the process of neighborhood change known as gentrification.
- (b) Longtime owner-occupants of principal residences throughout the City face the real threat of losing the financial ability to remain in their homes by virtue of the rising market values and increased property tax assessments, which are the hallmarks of a gentrifying neighborhood.
- (c) Properties that experience a twenty-five percent (25%) or greater increase in market value from one year to the next, or that experience a fifty percent (50%) increase within a five-year period, without any renovations or improvements made to the property during the same period, are deemed to have experienced that increase as a consequence of the refurbishing or renovating of other residences or the construction of new residences in the area surrounding the property.

The City of Pittsburgh therefore deems it to be a matter of sound public policy to provide a Real Property Tax exemption program to relieve the economic burden that gentrification brings to longtime homeowners, thereby enabling them to remain in their homes and neighborhoods.

§ 263.12. ~~Exemption Authority.~~ Definitions.

~~(a) The City authorizes an exemption to long time owner/occupants of principal residences that portion of an increase of real property value which is due to a market value increase of the real property which is a consequence of the refurbishing or renovating of other residences or the construction of new residences in long-established residential areas or areas of deteriorated, vacant or abandoned homes and properties.~~

~~(b) This exemption does not cover any increase in the assessed market value due to improvements to the principal residence.~~

- (a) "Longtime owner-occupant." Any person who, at the time of the application submission for the exemption provided under this Chapter, has owned and occupied the same dwelling as a principal residence and domicile within the City of Pittsburgh for at least ten (10) continuous years, or any person who, at the time of the application submission, has owned and occupied the same dwelling as a principal residence and domicile within the City of Pittsburgh for at least five (5) years if that person received assistance in the acquisition of the property as part of a government or nonprofit housing program.
- (b) "Principal residence." The dwelling place of a person, including the principal house and lot, and such lots as are used in connection therewith which contribute to its enjoyment, comfort, and convenience. For purposes of this Chapter, the term may also include a building with a maximum of one commercial establishment and a maximum of three residential units of which one residential unit must be the principal residence of the longtime owner-occupant.
- (c) "Owner."
 - (1) The owner of record, as recorded with the Allegheny County Recorder of Deeds; or
 - (2) An equitable owner, defined as a person, other than the owner of record, who has inherited an interest in the property from the deceased owner of record; a person who has entered into an installment land contract to purchase the property from the owner of record; a person who was the owner of record before a fraudulent conveyance of the property occurred; or a person who can demonstrate some other ownership interest in the property; or
 - (3) Where the owner of record either is deceased or cannot be located, a person who has registered their name with the Department of Finance as the person to whom tax bills should be sent and who has been paying such bills for at least the preceding ten years; or
 - (4) Where the owner of record or equitable owner acquired the property from a spouse, due to death or divorce, or from a life partner, due to death or termination of the life partnership, that owner shall be deemed to have been the owner throughout the period of ownership of the transferring spouse or life partner; or
 - (5) Where the owner of record or equitable owner (i) acquired the property from a spouse, life partner, parent, stepparent, child, brother, sister, aunt, uncle, grandparent or step-grandparent, (ii) at the time of the application submission has been resident in the property for at least ten years, and (iii) has contributed significantly to the Maintenance Expenses for the property during those ten years, that owner shall be deemed to have been the owner throughout the period of their residence in the property.
- (d) "Eligible property." The principal residence and domicile of an eligible taxpayer under Section 264.03 (2).
- (e) "Maintenance Expenses." Regular costs of occupancy, including, but not limited to, property taxes, mortgages, maintenance, minor upkeep, and utility bills.
- (f) "OPA." Allegheny County Office of Property Assessment.
- (g) "Income." As defined at 24 Code of Federal Regulations (C.F.R.) Section 5.609 (referred to as "Part 5 annual income").
- (h) "Improved." Any significant, permanent alteration or addition to a property that substantially enhances its value, functionality, or usability. This term does not include Maintenance Expenses.

§ 263.13. Procedures. Eligibility for Exemption of Real Property Taxes.

- (a) ~~The City shall provide a program of Real Property Tax exemptions which shall grant long time owner/occupants who reside in the City an exemption in the payment of that portion of an increase in their property tax obligation, which is attributable to an increase in the market value of property, which exceeds five~~

~~(5) percent of their previous year's obligation.~~

~~(b) Any resident of the City who wishes to participate in the program must apply to the Allegheny County Board of Property Assessment, Appeals and Review, for certification as a participant in the program. In order to be eligible for participation in the program, the following conditions must be met:~~

~~(1) The property is owned and occupied by a long time owner/occupant; and~~

~~(2) The property is the principal residence and domicile of an owner/occupant; and~~

~~(3) Any other criteria that may be established by the Allegheny County Board of Property Assessment, Appeals and Review.~~

~~(c) The City Department of Finance shall establish procedures for processing applicants of long-time owner/occupants in this program consistent with state law.~~

~~(d) The City Treasurer shall approve or deny the application in whole or in part, and in approving the same, determine the exemption amount of which the long-time owner/occupant is entitled. The Treasurer may also deny the application for lack of complete documentation with leave to the long-time owner/occupant to refile within a stated period.~~

Real property shall be eligible for the exemptions provided for under this Chapter if it meets all of the following conditions:

- (a) The property is owned and occupied by a longtime owner-occupant on January 1 of the tax year.
- (b) The property is the principal residence and domicile of the longtime owner-occupant.
- (c) Either:
 - (1) The new assessed value of the property is more than one and a quarter (1.25) times the assessed value of that property in the immediately preceding tax year.
 - (2) The new assessed value of the property is more than one and a half (1.50) times the lowest assessed value of that property in the previous five tax years.
- (d) The property has not been improved within the period of assessed value increase.
- (e) The property is located in an eligible long-established residential area or area of deteriorated, vacant or abandoned homes and properties as defined by Section 264.04.
- (f) All real estate taxes on the property are current or subject to a payment agreement that is not in default, except in the following circumstances:
 - (1) A taxpayer shall not be found ineligible pursuant to this subsection (f) while the taxpayer has an application for a payment agreement pending determination by the Department of Finance.
- (g) The property has not previously received an abatement of taxes under Chapter 265 or 267 during the 10 or 5 year occupancy period, during the period of market value increase described in subsection (c), or while participating in this program, regardless of ownership of the property. This condition of eligibility shall not apply to a property for which the owner received or benefitted from assistance provided in connection with the acquisition of the property as part of a government or nonprofit subsidized low or moderate income housing program.
- (h) For each year, the total household income is less than or equal to one hundred twenty percent (120%) of the Area Median Income, adjusted for household size, as established by the U.S. Department of Housing and Urban Development in its most recent publication for Allegheny County.

§ 263.14. ~~Effective Date.~~ Eligible Areas.

~~The effective date of the exemption shall be February 23, 1993.~~

The following areas of the City are hereby declared to be established residential areas or areas of deteriorated, vacant or abandoned homes and properties:

- (a) All Wards of the City

§ 263.15. Benefit Determinations.

- (a) For the purpose of calculating the real property tax liability upon any property eligible for the exemption under this Chapter, the following shall apply: If the current assessed value of the eligible property is more than one and a quarter (1.25) times the assessed value of such property for the immediately preceding tax year, then the assessed value of such property for the current tax year shall be deemed to equal one and a quarter (1.25) times the assessed value of such property for the immediately preceding tax year. If the current assessed value of the eligible property is more than one and a half (1.50) times the lowest assessed value of such property in the previous five tax years, then the assessed value of such property for the current tax year shall be deemed to equal one and a half (1.50) times the lowest assessed value of such property in the previous five tax years. The City shall provide this exemption for so long as the property remains eligible, or until such property is sold, transferred, or is no longer the principal residence of the eligible taxpayer, or until the eligible taxpayer voluntarily opts out of the program, even if the property is subsequently assessed at a higher market value. No City of Pittsburgh homestead exclusions shall be allowed for taxpayers claiming the exemption authorized by this Chapter.
- (b) Opting out of the program. An eligible taxpayer who is participating in the program authorized by this Chapter may subsequently opt out of the program, provided that such election shall be irrevocable with respect to the property being removed from the program for that year. A taxpayer removed from the program authorized by this Chapter may then file for a Homestead Exclusion with respect to such property. A taxpayer who opts out of the program authorized by this Chapter shall be required to re-apply, pending eligibility, to participate in the program in future years.
- (c) The Department of Finance shall provide public notice, via the City's website, prior to the annual property tax bill to taxpayers, including:
 - (1) A description of the program authorized by this Chapter;
 - (2) The steps a taxpayer must take to enter into the program and the deadline for doing so;
 - (3) The steps a taxpayer must take to opt out of the program and thereafter apply for a homestead exclusion, and an explanation that if the taxpayer opts out, the real estate taxes due on the property will thereafter be based on its actual certified market value (minus any homestead exclusion, if any); and
 - (4) An application form and an opt-out form, which may be combined into one form.
- (d) The owner of any property that meets the criteria set forth in Section 264.03, and who wishes to participate in the program authorized by this Chapter, must apply to the Department of Finance for certification as a participant in the program during the application period of January 1st through June 30th of the current tax year.
 - (1) The Finance Department is authorized to grant exceptions to the June 30th deadline upon provision by an owner of real property of evidence of hardship or evidence of other good cause, at

its discretion, provided that no exception to the deadline shall be granted with respect to any application received at the time of or after the certification by the Department of Finance that total exemptions equal the maximum permitted under subsection (8). The Finance Department shall promulgate such regulations and forms as are deemed necessary to effectuate the purpose of this subsection.

- (e) The Department of Finance shall promulgate such rules, regulations, schedules or procedures as it deems necessary for the submission and establishment of proof of the eligibility of the taxpayer for the real property tax exemption provisions of this Chapter. This may include requiring recertification of income eligibility under Section 264.03(1)(h).
- (f) The Department of Finance shall approve or deny the application and shall determine the exemption amount to which the longtime owner-occupant is entitled. The Department of Finance may also deny the application for lack of complete documentation with leave to refile within a stated period of time.
- (g) Nothing in this Chapter shall be construed as a limitation on the eligibility or the amount of any special tax provisions of any longtime owner-occupant who qualifies for the special tax provisions established in Chapter 263.21 entitled "Property Tax Relief".
- (h) Council shall annually establish, by Resolution, a maximum amount of total tax dollars allowed to be exempted under this Chapter for the upcoming tax year for all eligible properties in the City. If the total amount of tax dollars exempted under this chapter exceeds the maximum set by Council, the maximum tax dollars exempted will be allocated among all eligible taxpayers on a pro rata basis so that the total taxes exempted does not exceed that amount established by Council.
- (i) The Department of Finance shall submit to Council annual reports on the utilization of benefits under this Chapter. Those reports shall include, at minimum, the following data, both citywide and for each Council District: the dollar amount of exemptions, and the number of enrolled parcels.

§ 263.16. Prohibited Conduct: Penalties and Additions.

No taxpayer shall intentionally make any false statement when making application for eligibility to receive an exemption of real property taxes. If it is determined that a taxpayer made application for the real property tax exemption program on the basis of a false statement, the eligibility for the exemption provisions is null and void and the applicant shall be required to pay the City outstanding tax liability and any additions, interest, or penalties computed as if the taxpayer had never been granted any exemption.