



City of Philadelphia

City Council
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Legislation Text

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Amending Chapter 19-1300 of The Philadelphia Code, entitled "Real Estate Taxes," by amending the eligibility requirements for real estate tax exemptions for certain improvements to, or construction of, residential, commercial or other business properties to require that said improvements or construction meet or exceed the high-performance building criteria as delineated in the Leadership in Environmental and Energy Design (LEED) Rating System, all under certain terms and conditions.

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. Chapter 19-1300 of The Philadelphia Code is amended to read as follows:

CHAPTER 19-1300. REAL ESTATE TAXES.

§19-1303(1). *Exemptions from Real Estate Taxes: General Provisions.*

A. In Sections 19-1303(1) through 19-1303(5), all relating to exemption from real estate taxes, the following definitions shall apply:

(1) LEED Rating System. Leadership in Energy and Environmental Design ("LEED") is a suite of rating systems established through a national consensus-based approach by the U.S. Green Building Council, a non-profit organization, to define high performance building practices. LEED rating systems provide criteria to assess building performance in particular categories, such as energy and water efficiency, sustainable site choice, resource usage and indoor environmental quality. Buildings which satisfy the LEED criteria may achieve certification at the Certified, Silver, Gold or Platinum level from the U.S. Green Building Council.

B. The Board of Revision of Taxes may promulgate regulations for the implementation and interpretation of the provisions of Sections 19-1303(1) through 19-1303(5).

§19-1303(2). Authorization to Offer Exemption from Real Estate Taxes on Improvements to Residential Properties.

C. Definitions

(1) In this Section, the following definitions shall apply:

(c) Improvement shall be any repairs, constructions, or reconstruction, including additions and alterations, which (.1) have the effect of rehabilitating a structure so that it becomes habitable or attains a higher degree of housing safety, health or amenity, or is brought into compliance with the laws, ordinances, or regulations of the City of Philadelphia; and (.2) *meet or exceed the high-performance building criteria as delineated in the applicable LEED Rating System*. Ordinary upkeep and maintenance shall not be deemed an improvement.

E. Exemption Schedule.

(1) The assessable amount of the improvement costs shall be exempted from real estate taxes for ten (10) years[.] *based on attainment of the following levels under the applicable LEED Rating System:*

(a) *One hundred percent (100%) exemption if the improvement meets or exceeds the requirements for LEED Platinum certification;*

(b) *Seventy percent (70%) exemption if the improvement attains a LEED Gold certification;*

(c) *Thirty percent (30%) exemption if the improvement attains a LEED Silver certification;*

(d) *Ten percent (10%) if the improvement meets the LEED Certified standard.*

The exemption shall commence for the first year for which improvements would otherwise be taxable. After the tenth year, the exemption shall terminate.

F. Procedure for Obtaining Exemption.

(4) Upon completion of the improvement, the taxpayer shall notify the Board of Revision of Taxes and provide *proof of certification from the U.S. Green Building Council as to the level of LEED certification attained*, so that the Board may assess the improvement separately for the purpose of calculating the amount of assessment eligible for exemption.

§19-1303(3). Authorization to Offer Exemptions from Real Estate Taxes on Improvements to Deteriorated Industrial, Commercial or Other Business Properties.

C. In this Section, the following definitions shall apply:

(2) Improvement.

(a) Repair, construction or reconstruction, including alterations and additions, (.1) having the effect of rehabilitating a deteriorated property so that it becomes habitable or attains higher standards of safety, health, economic use or amenity or is brought into compliance with laws, ordinances or regulations governing such standards; and (.2) which meet or exceed the high-performance building criteria as delineated in the applicable LEED Rating System. Ordinary upkeep and maintenance shall not be deemed an improvement.

D. Exemptions

(2) Exemption schedule.

(a) The assessable amount of the improvement costs shall be exempted from real estate taxes for ten (10) years[.] based on attainment of the following levels under the applicable LEED Rating System:

(.1) One hundred percent (100%) exemption if the improvement meets or exceeds the requirements for LEED Platinum certification;

(.2) Seventy percent (70%) exemption if the improvement attains a LEED Gold certification;

(.3) Thirty percent (30%) exemption if the improvement attains a LEED Silver certification;

(.4) Ten percent (10%) if the improvement meets the LEED Certified standard.

The exemption shall commence in the tax year immediately following the year in which the initial certificate of occupancy for the property is issued. After the tenth year, the exemption shall terminate.

(3) Procedure for obtaining exemption.

(d) The Board of Revision of Taxes shall, after it has determined that the improvement is completed *and after it has received from the taxpayer proof of certification from the U.S. Green Building Council as to the level of LEED certification attained*, assess[es] separately the improvement and calculate the amounts of assessment eligible for exemption in accordance with the exemption schedule in paragraph (2)(a) above.

§19-1303(4). Authorization to Offer Exemption from Real Estate Taxes on New Construction of Residential Properties.

B. Definitions.

(2) Residential construction means the building or erection of dwelling units, as defined above, upon vacant land or land specifically prepared to receive such structures *and which meet or exceed the high-performance building criteria as delineated in the applicable LEED Rating System*.

E. Exemption Schedule.

(1) [One hundred percent of the] *The* assessable amount of the construction costs shall be exempted from real estate taxes for a period of ten years immediately following the date on which settlement is made, and a required certificate of use and occupancy is issued on an eligible dwelling unit. *The exemption shall be based on attainment of the following levels under the applicable LEED Rating System:*

(a) *One hundred percent (100%) exemption if the residential construction attains a LEED Platinum certification;*

(b) *Seventy percent (70%) exemption if the residential construction attains a LEED Gold certification;*

(c) *Thirty percent (30%) exemption if the residential construction attains a LEED Silver certification;*

(d) *Ten percent (10%) if the residential construction meets the LEED Certified standard.*

After the tenth year, the exemption shall terminate.

F. Procedure for Obtaining Exemptions

(4) Upon completion of the construction, the applicant shall notify the Board of Revision of Taxes and provide proof of certification from the U.S. Green Building Council as to the level of LEED certification attained, so that the Board may assess the construction for the purpose of calculating the amount of the assessment eligible for exemption. ***

§19-1303(5). Authorization to Offer Exemptions from Real Estate Taxes on Improvements to Convert Deteriorated Industrial, Commercial or Other Business Property to Commercial Residential Use.

C. Definitions.

(7) "Qualified improvement." Any repair, construction or reconstruction, including alterations and additions, having the effect of converting all or a portion of the conversion area of the deteriorated property from non-residential use to commercial residential use, so that it becomes habitable, provided that at least fifty percent (50%) of the conversion area, measured by floor area, is so converted (the "50% test"), and which meets or exceeds the high-performance building criteria as delineated in the applicable LEED Rating System. Ordinary upkeep and maintenance shall not be deemed a qualified improvement.

D. Exemption.

(2) Exemption schedule.

(a) The Board shall exempt from real estate taxes [the entire amount of] the assessable amount of qualified improvement for a period of ten years, subject to the other requirements of this Section. *The exemption shall be based on attainment of the following levels under the applicable LEED Rating System:*

(1) One hundred percent (100%) exemption if the improvement attains a LEED Platinum certification;

(2) Seventy percent (70%) exemption if the improvement attains a LEED Gold certification;

(3) Thirty percent (30%) exemption if the improvement attains a LEED Silver certification;

(4) Ten percent (10%) if the improvement meets the LEED Certified standard.

After year ten, the abatement shall terminate. The exemption shall commence for the tax year immediately following the year in which City issues the final Certificate of Occupancy for commercial residential use of the property.

(3) Procedure for obtaining exemption.

(f) The Board shall separately value the qualified improvement annually. After the City of Philadelphia has issued the final Certificate of Occupancy *and after the Board has received from the record owner or its agent proof of certification from the U.S. Green Building Council as to the level of LEED certification attained*, the Board shall determine the portions of the improvement qualifying for exemption in accordance with the exemption schedule in subsection D(2) above.

SECTION 2. Effective Date. This Ordinance shall become effective upon authorization from the General Assembly, and shall apply to any abatements for which application is filed after such effective date.

Explanation:

[Brackets] indicate matter deleted.
Italics indicate new matter added.