

ORDINANCE No. 1 of 2020

**AN ORDINANCE PROVIDING FOR EXEMPTION FROM TAX FOR CERTAIN IMPROVEMENTS TO DETERIORATED COMMERCIAL OR INDUSTRIAL PROPERTY AND FOR NEW CONSTRUCTION IN DETERIORATED AREAS PURSUANT TO PENNSYLVANIA ACT NO. 76 OF 1977 KNOWN AS THE LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE ACT (72 P.S. 4722) DEFINING CERTAIN EXEMPT PROPERTY, PROVIDING FOR AN EXEMPTION PERIOD, AND ESTABLISHING A SCHEDULE OF PERCENTAGE EXEMPTION FOR THAT TIME PERIOD.**

WHEREAS, the General Assembly of Pennsylvania passed Act 76 of 1977 (72 P.S. 4722 et seq.) known as the Local Economic Revitalization Tax Assistance law (LERTA), which authorized local taxing authorities to provide tax abatements for certain deteriorated industrial, commercial, and other business properties;

WHEREAS there are deteriorated commercial, industrial and other business properties within the County of Potter; and

WHEREAS, the Potter County Commissioners of the County of Potter, in accordance with said Act, held a hearing to determine the boundaries of deteriorated areas within the County of Potter and has affixed the boundaries of the deteriorated area as the County of Potter.

NOW THEREFORE, BE IT, AND IT IS HEREBY ORDAINED AND ENACTED by the Potter County Commissioners of the County of Potter as follows:

**SECTION 1 - DEFINITIONS**

1. "Deteriorated property" means any industrial, commercial or other business property owned by an individual, partnership, association or corporation or other legal entity and located in the County of Potter, or any such property which has been the subject of an order by a

government agency requiring the unit to be vacated, condemned or demolished by reason of non-compliance with laws, ordinances or regulations.

2. "Improvement" means repair, construction or reconstruction, including alternations and additions, 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. Ordinary upkeep and maintenance shall not be deemed an improvement.

3. "Deteriorated area" shall mean those areas within the County of Potter which shall be eligible for exemption from tax as set forth in this Ordinance and as provided in the said Local Economic Revitalization Tax Assistance Act. The location of the boundaries of said "Deteriorated area" shall be the jurisdictional boundary lines of the County of Potter and shall include all land located within the County of Potter.

## **SECTION 2 - EXEMPTION**

1. There is hereby exempted from all County real property taxation the assessed valuation of:

- a. Improvements to deteriorated properties in the County of Potter.
- b. New construction to deteriorated properties in the County of Potter.

The exemption authorized by subsection 1.a. of Section 2 shall be in the amounts and in accordance with the limitations as hereinafter provided.

## **SECTION 3 - MAXIMUM EXEMPTION**

1. The exemption from real property taxes applies only to increased assessed value for nonresidential uses.

2. The actual cost of the new construction or improvements to qualify for the exemption must be more than \$75,000 in order for the property to be eligible for the LERTA tax abatement.

3. The exemption shall be limited to:

a. That portion of the additional assessment attributable to the actual cost of improvements to deteriorated property.

b. The assessment valuation attributable to the actual cost of new construction to deteriorated property.

4. In all cases the exemption from taxes shall be limited to that portion of the additional assessment attributable to the actual cost of the improvement or new construction, as the case may be, and for which a separate assessment has been made by the County Assessor and for which an exemption has been separately requested. No tax exemption shall be granted if the property owner does not secure the necessary and proper permits prior to improving the property. No tax exemption shall be granted if the property as completed does not comply with the minimum standards of all applicable Housing and Building Codes.

5. After the enactment of this Ordinance in any circumstance where deteriorated property is damaged, destroyed or demolished by any cause or for any reason, and the assessed valuation of the property affected has been reduced as a result of the said damage, destruction or demolition, the exemption from County real property taxation authorized by this resolution shall be limited to that portion of new assessment attributable to the actual cost of improvements or construction that is in the excess of the original assessment that existed prior to damage, destruction or demolition of the property.

**SECTION 4 - EXEMPTION SCHEDULE**

1. The schedule of County real estate taxes to be exempted shall be in accordance with the portion of improvements to be exempted each year, as follows, beginning with the effective date of reassessment of the property by the County Assessor:

First Year	100%
Second Year	80%
Third Year	60%
Fourth Year	40%
Fifth Year	20%

After the fifth year, the exemption shall terminate.

2. The exemption from County taxes granted by this Ordinance shall run with the land and shall not terminate upon the sale or exchange of the property.

3. If an eligible property is granted tax exemption pursuant to this Ordinance, the improvement shall not, during the exemption period, be considered a factor in assessing other properties.

**SECTION 5 - PROCEDURE FOR OBTAINING EXEMPTION**

1. Any person desiring tax exemption pursuant to this Ordinance shall apply to the Chief Assessor of Potter County at the time a building permit is secured for construction of the improvement or for any new construction. The application must be in writing upon forms specified by the County, setting forth the following information:

- a. The date the building permit was applied for or issued.
- b. The location of the property to be improved.
- c. The nature of the property to be improved.
- d. The type of improvements to be made.
- e. The summary of the Plan of Improvement.
- f. The cost of the improvements.
- g. Whether the property has been condemned by any governmental body for non-compliance with laws or ordinances.
- h. Whether the property has been inspected and verified by the Building Code Officer or a duly authorized agent or either.
- i. Such additional information as the County may require.

2. The Chief Assessor shall upon completion of the improvements and notification from the Building Code Officer that the improvements comply with all applicable Building and Housing Codes, assess separately the improvement and calculate the amount of the assessment eligible for tax exemption in accordance with the limits established by this Ordinance and shall notify the taxpayer and the local taxing authorities of the reassessment and amounts of the assessment eligible for exemption. In the case of new construction, the County Assessor shall assess separately, the unit and the land upon which the new construction stands and shall otherwise perform his duties as above provided for assessment of construction or improvements to properties in accordance with law.

3. The cost of improvements to deteriorated properties to be exempted and the schedule of taxes exempted, existing at the time of the initial request for tax exemption, shall be applicable

to that exemption request, and subsequent amendments to this Ordinance, if any, shall not apply to requests made prior to their adoption.

#### **SECTION 6 - EFFECTIVE DATE**

1. This Ordinance shall become effective upon adoption by the Potter County Commissioners.

#### **SECTION 7 - AMENDMENTS**

1. Amendment to this Ordinance may only occur by Ordinance or Resolution of the Potter County Commissioners.

#### **SECTION 8 - TERMINATION DATE**

1. An application for exemption from county real estate taxes may be made at any time within five (5) years from the effective date of this ordinance. This Ordinance shall automatically expire and terminate five (5) years following the effective date hereof; provided, however, any taxpayer who has received or applied for the exemption granted by this Ordinance prior to the expiration date herein provided, shall, if said exemption is granted, be entitled to the full exemption authorized herein. Termination of the exemption will occur if a property with a LERTA application is converted to a non-commercial use during the five-year LERTA period of exemption and the graduated assessment would cease.

## **SECTION 9 - EXTENSION**

The county may by ordinance or resolution enacted from time to time extend the time for filing an application from exemption from county real estate taxes. However, in no event shall additional extension period exceed five (5) years.

## **SECTION 10 – REVOCATION OF LERTA EXEMPTION**

The exemption from local real estate taxes provided for herein shall be forfeited by the taxpayer and/or any subsequent owner of the real estate for the failure to pay any nonexempt real estate taxes by the last day of the time period to pay such taxes without penalty. Upon receipt of the notice of nonpayment of nonexempt real estate taxes, the Chief Assessor shall discontinue the LERTA exemption.

## **SECTION 11 - SEVERABILITY**

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

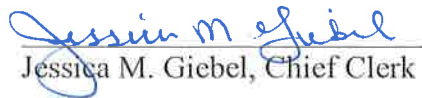
## **SECTION 12 - REPEALER**

This Ordinance shall repeal, replace, supersede any and all existing LERTA ordinances or resolutions of the County of Potter.

ORDAINED AND ENACTED on this 30<sup>th</sup> day of December, 2020.

POTTER COUNTY COMMISSIONERS

ATTEST

  
Jessica M. Giebel, Chief Clerk

  
Nancy J. Grupp, Chairman

  
Paul W. Heimel, Commissioner

  
Barry Hayman, Commissioner