

BOROUGH OF RIDGWAY, COUNTY OF ELK, COMMONWEALTH OF PENNSYLVANIA

ORDINANCE NO. 677

AN ORDINANCE PROVIDING FOR TAX EXEMPTION FOR IMPROVEMENTS TO CERTAIN DETERIORATED PROPERTY (INDUSTRIAL, COMMERCIAL, AND OTHER BUSINESS PROPERTY) AND NEW CONSTRUCTION OF COMMERCIAL, INDUSTRIAL AND OTHER BUSINESS PROPERTY LOCATED IN DETERIORATED AREAS PURSUANT TO PENNSYLVANIA ACT 76 OF 1977; DEFINING ELIGIBLE DETERIORATED AREAS; PROVIDING FOR AN EXEMPTION; ESTABLISHING A SCHEDULE OF EXEMPTION FOR THAT TIME PERIOD; AND PRESENTING A PROCEDURE FOR SECURING AN EXEMPTION.

WHEREAS, Act No. 76 of 1977 (72 P.S. §4722 et seq.), known as the Local Economic Revitalization Tax Assistance Act (LERTA), authorizing local taxing authorities to provide for tax exemption for certain deteriorated industrial, commercial, and other business property; was passed by the General Assembly of Pennsylvania and duly approved by the Governor of the Commonwealth; and;

WHEREAS, the Borough of Ridgway recognizes the need to encourage the rehabilitation of deteriorating industrial, commercial, and other business properties in the Borough.

NOW, THEREFORE, it is hereby **ORDAINED** and **ENACTED** by the Borough Council of the Borough of Ridgway, County of Elk and Commonwealth of Pennsylvania, as follows:

Section 1. Definitions

As used in this Ordinance, the following words and phrases shall have the meaning set forth below:

- A. "Deteriorated Property" means any industrial, commercial or other business property owned by an individual, association or corporation, and located in an Investment Opportunity Area, as hereinafter defined, 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 noncompliance with laws, ordinances or regulations.
- B. "Improvement" means repair, construction or reconstruction, including alterations 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. No residential homes, apartments or other living establishments will be included.
- C. "Investment Opportunity Area" Refers to all property within the commercial and industrial zones of the Borough of Ridgway.
- D. "Local Taxing Authority" means the Borough of Ridgway, Ridgway Area School District, the County of Elk, or any other governmental entity having the authority to levy real property taxes within the Borough of Ridgway.
- E. "Municipal Government Body" means the Borough of Ridgway.

Section 2. Exemption

- A. The exemption from real property taxes shall be limited:

1. To the exemption schedule as established within this Ordinance.
 2. To that portion of the additional assessment attributable to the actual cost of improvements to the deteriorated property.
 3. To the assessment valuation attributable to the cost of construction of a new industrial, commercial or other business unit.
- B. In all cases the exemption from taxes shall be limited to that portion of the additional assessment attributable to the improvement or new construction, as the case may be, and for which a separate assessment has been made by the Elk County Board of Assessment, and for which an exemption has been separately requested.
- C. No tax exemption shall be granted if the property owner does not secure the necessary and proper permits prior to improving the property.
- D. In any case, after the effective date of this Ordinance 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 said damage, destruction or demolition, the exemption from real property taxation authorized by this Ordinance shall be limited to that portion of new assessment attributable to the actual cost of improvement or construction that is in excess of the original assessment that existed prior to damage, destruction or demolition of the property.

Section 3. Exemption Schedule

- A. The following real estate tax exemption schedule shall be in effect when the Owner or lessor shall commence use of said property. For five (5) years immediately following the completion of new construction or completion of an improvement to an existing structure the following real estate tax exemption schedule shall be in effect:

<u>Length of Term</u>	<u>Portion Exempt</u>
1 st year	100%
2 nd year	100%
3 rd year	75%
4 th year	50%
5 th year	0%

After the fifth (5th) year, the exemption shall terminate.

- B. The exemption from taxes granted under this Ordinance shall be upon the property exempted and shall not terminate upon the sale or exchange of the property but shall continue for the full time originally granted.
- C. If an eligible property is granted tax exemption pursuant to this Ordinance, the improvement shall not, during the exemption period, be considered as a factor in assessing other properties.

- D. If the use of the property at the time of the exemption is granted is modified, terminated, or changed during the five (5) year period in any way which would have affected the exemption if the property had been so used when the exemption was granted, then, at the election of Borough Council, the exemption shall terminate as of the day the used was modified or terminated if the Council determines that continuation of the exemption would be inconsistent with the purposes of this Ordinance.

Section 4. Procedure for Obtaining Exemption

- A. Any person desiring tax exemption pursuant to this Ordinance should apply to the Borough of Ridgway at the time that a building permit is secured for construction of the improvement. The application shall be in writing upon forms specified by the Borough setting forth the following information:
1. The date the building permit, if any, was issued for said improvements, or, if no building permit is required, the date construction is intended to commence.
 2. The location of the property to be improved.
 3. The nature of the property to be improved (industrial, commercial, or other business property).
 4. The type of improvement.
 5. The summary of the plan of the improvement.
 6. The projected cost of the improvements.
 7. A statement that the property has been inspected and verified by the Borough Manager or his agent.
 8. Such additional information as the Borough may require.
- B. A copy of the exemption request shall be forwarded to the Elk County Board of Assessment by the Borough Manager. The Board shall determine whether the exemption shall be granted and shall assess separately the improvement and calculate the amounts of the assessment eligible for tax exemption in accordance with the limits established by this Ordinance and 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 Board shall assess separately the unit and the land upon which the new construction stands and shall otherwise perform its duties as above provided for construction of improvement to properties.
- C. The cost of improvements 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 amendment to this Ordinance, if any, shall not apply to requests initiated prior to their adoption.
- D. Appeals from the reassessment and the amount eligible for the exemption may be taken by the Borough or by the taxpayer as provided by law.

Section 5. Effective Date

This Ordinance shall become effective upon adoption by the Ridgway Area School District and the Elk County Board of Commissioners of a resolution exempting from real property taxation properties in accordance with the terms of this Ordinance.

Section 6. Severability

The provisions of this Ordinance are not severable and if any of its sections, clauses, or sentences shall be held illegal, invalid or unconstitutional, such provisions shall not affect or impair any of the remaining sections, clauses, or sentences. It is hereby declared to be the intent of Council that this Ordinance would not have been adopted if such illegal, invalid, or unconstitutional section, clause, or sentence had not been included herein.

Section 7. Amendments

No amendment to this Ordinance shall be effective unless consented to by resolution or ordinance of each local taxing authority which has consented to be bound by the terms of this Ordinance.

Section 8. Termination Date

This Ordinance shall automatically terminate in five (5) years following the effective date hereof, unless continued by resolution by Borough Council. This section shall not prevent Council, however, from repealing this Ordinance or any section thereof before five (5) years upon proper action of Council.

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.

Section 9.

That any ordinance or part of ordinance conflicting with the provisions of this Ordinance be and the same is hereby repealed so far as the same affects this Ordinance.

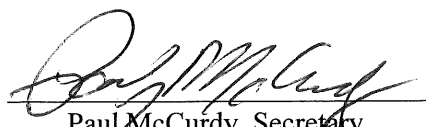
Section 10.

Any exemption made permissible under this Ordinance shall not be applied to any residential home, apartment building or other living establishments, except hotels and motels which rent rooms to travelers on short term basis.

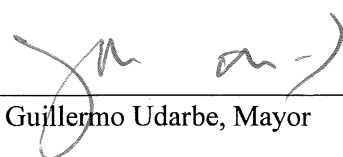
ORDAINED AND ENACTED into an Ordinance this 15th day of July 2019.

Borough Council of the Borough of Ridgway

BY: 
Sam MacDonald, President

ATTEST: 
Paul McCurdy, Secretary

APPROVED by the Mayor this 15th day of July 2019.

BY: 
Guillermo Udarbe, Mayor