

LERTA Ordinance

ORDINANCE 2008-16 LERTA Ordinance Establishing Tax Exemptions from Property Tax for Certain Deteriorated Industrial, Commercial, or Other Business Property; Defining Eligible Deteriorated Areas, Setting a Maximum Exemption Amount, and an Exemption Schedule; and Providing a Procedure for Obtaining an Exemption

WHEREAS, the General Assembly of Pennsylvania passed Act No. 76 of 1977 (72 P.S. §4722 et seq.) known as the Local Economic Revitalization Tax Assistance Act (LERTA) which authorizes local taxing authorities to provide for tax exemption for certain deteriorated industrial, commercial, and other business properties; and WHEREAS, there are deteriorated industrial and commercial properties within the confines of the City of Hazleton; and

WHEREAS, the Council of the City of Hazleton in accordance with said Act held a public hearing to determine the boundaries of said deteriorated areas and to establish the LERTA provisions, which hearing was duly advertised; and

WHEREAS, at said public hearing, agencies and individuals had the opportunity to present to the Council of the City of Hazleton their recommendations concerning the location of the boundaries of deteriorated areas and the advocacy of implementation for the LERTA Program.

NOW, THEREFORE, BE IT ORDAINED, by the Council of the City of Hazleton that:

I. 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 a "Deteriorated Area", as provided by Resolution of the Council of the City of Hazleton, or any such property which has been the subject of an order by the City of Hazleton or agency thereof 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 or additions, having the affect 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.

(c) "Local Taxing Authority" means City of Hazleton, Hazleton Area School District and County of Luzerne or any other governmental entity having the authority to levy real property taxes within the City of Hazleton.

(d) "Local Governing Body" means City of Hazleton.

(e) "Deteriorated Area" means an area, the boundaries of which are determined by a Local Taxing Authority in which improvements to deteriorated properties are eligible for tax exemption.

II. EXEMPTION AREA

The following zoned area in the City of Hazleton is hereby specifically designated as being a Deteriorated Area: I-2. All commercial, industrial, or local business properties located in the I-2 Zoning District are eligible to participate in this tax exemption program, so long as they meet the pre-requisites for the program as hereinafter described.

III. EXEMPTION AMOUNT

(a) The amount to be exempted shall be limited to that portion of the additional assessment valuation attributable to the actual costs of the improvement to the Deteriorated Property.

(b) The exemption shall be limited to the improvement for which the exemption has been requested in the manner set forth below and for which a separate tax assessment has been made by the Luzerne County Board of Assessment Appeals. Tax exemption shall only be granted if the property, as completed, complies with the various codes of the City of Hazleton and has been approved as a land development by the Council of the City of Hazleton.

IV. EXEMPTION SCHEDULE

(a) For the first year immediately following the date upon which the improvement becomes assessable through the fifth year, one hundred percent (100%) of the assessed valuation of the eligible improvement shall be exempted.

(b) For the sixth year immediately following the date upon which the improvement becomes assessable, eighty percent

(80%) of the assessed valuation of the eligible improvement shall be exempted.

(c) For the seventh year immediately following the date upon which the improvement becomes assessable, sixty percent (60%) of the assessed valuation of the eligible improvement shall be exempted.

(d) For the eighth year immediately following the date upon which the improvement becomes assessable, forty percent (40%) of the assessed valuation of the eligible improvement shall be exempted.

(e) For the ninth year immediately following the date upon which the improvement becomes assessable, twenty percent (20%) of the assessed valuation of the eligible improvement shall be exempted.

(f) After the ninth year, the exemption shall terminate.

(g) The exemption from taxes granted under this Ordinance shall be upon the property and shall not terminate upon the sale or exchange of the property.

V. NOTICE TO TAXPAYERS

(a) Under the provisions of this Ordinance, you may be entitled to a property tax exemption on your contemplated alteration or new construction. An application for exemption may be secured from the City of Hazleton, 40 North Church Street, Hazleton, Pennsylvania and must be filed with the City of Hazleton at the time a building or alteration permit is secured, or, if no building or alteration permit is required, then at the time that construction commences.

(b) At the time a building or alteration permit is secured for the construction of an improvement for which an exemption is requested, or at the time construction commences if no permit is required, the taxpayer shall apply to the City of Hazleton for the exemption provided for in this Ordinance. Request for the exemption must be in writing certified in full setting forth the following information:

- (1) The date the building permit or alteration permit was issued for said improvements.
- (2) The location of the property to be improved.
- (3) The nature of the property to be improved.
- (4) The type of improvement.
- (5) The summary of the plan of the improvement.
- (6) The cost of the improvement.
- (7) Any and all additional information the City may require.

VI. MINIMUM MANDATE

The mandate for eligibility for this program shall be the following:

- (a) The creation of no less than one hundred (100) jobs; or
- (b) The expenditure of no less than Two Million (\$2,000,000) Dollars for the improvement.

VII. PROCEDURE FOR OBTAINING EXEMPTION

A copy of the application for exemption shall be forwarded to the Luzerne County Board of Assessment Appeals by the City of Hazleton. Upon completion of the improvement or new construction, the taxpayer shall notify the City and the Luzerne County Tax Assessor, so that the Assessor can assess the improvements separately for the purpose of calculating the amount of assessment eligible for tax exemption in accordance with the limits established in this Ordinance. The City will then obtain from the Assessor the amount of the assessment eligible for exemption, and will notify the taxpayer. Appeals from the assessments and the amount eligible for the exemption may be taken by the taxpayer or the City as provided by law. However, after the initial assessment, the applicant waives the right to appeal the assessment for the term of the program or exemption.

VIII. TERMINATION

Unless otherwise repealed by City Council, this Ordinance shall terminate on November 7, 2018. Nothing contained herein shall prohibit City Council from enacting a similar ordinance, or extending this one. Any property tax exemptions

granted under the provisions of this Ordinance shall be permitted to continue according to the exemption schedule even if this Ordinance expires or is repealed.

IX. RULES AND REGULATIONS

The Council of the City of Hazleton is hereby authorized and empowered to prepare, promulgate, and enforce rules and regulations made pursuant to the provision of this Ordinance. Such rules and regulations shall have the full force and effect of law unless modified, revoked, or repealed by City Council.

X. SEVERABILITY

The provisions of this Ordinance are 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.

XI. CONTINGENCY

Notwithstanding other provisions of this Ordinance, this Ordinance shall remain in full force and effect conditioned upon the Board of Directors of the Hazleton Area School District and the Commissioners of Luzerne County enacting similar Resolutions or Ordinances with identical Deteriorated Areas as those designated by the City of Hazleton, no later than December 31, 2008.

XII. EFFECTIVE DATE

This Ordinance shall become effective on November 7, 2008.

ORDAINED AND ENACTED by Council this 22nd day of October, 2008.