

ORDINANCE NO. D1-6-27-17

AN ORDINANCE OF THE BOROUGH OF MASONTOWN, FAYETTE COUNTY, PENNSYLVANIA, SUPPLEMENTING CHAPTER 126, ENTITLED "TAXATION," OF THE BOROUGH OF MASONTOWN CODE OF ORDINANCES BY ADDING THERETO A NEW ARTICLE VI, ENTITLED "LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE," ESTABLISHING: EXEMPTIONS FROM REAL PROPERTY TAXES FOR IMPROVEMENTS TO CERTAIN INDUSTRIAL, COMMERCIAL AND OTHER BUSINESS IN THE BOROUGH; AN EXEMPTION SCHEDULE; AND A PROCEDURE FOR OBTAINING AN EXEMPTION.

WHEREAS, the General Assembly of Pennsylvania enacted Act No. 76 of 1977 (72 P.S. §4722, *et seq.*), known as the Pennsylvania Local Economic Revitalization Tax Assistance Act (LERTA), authorizing local taxing authorities to exempt improvements to certain industrial, commercial and other business properties in deteriorated areas from local property taxes to encourage improvement of deteriorating properties and provide for revitalization; and

WHEREAS, there are industrial, commercial and other business located in the Borough that would benefit from improvement and revitalization; and

WHEREAS, the Borough Council of the Borough of Masontown, Fayette County, Pennsylvania, desires to establish a program for exemption of improvements to certain industrial, commercial and other business in the Borough from Borough real property taxes for a limited period of time in accordance with the Act in order to provide for improvement and revitalization of such properties.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the Borough Council of the Borough of Masontown, Fayette County, Pennsylvania, and it is hereby enacted and ordained by the authority of the same as follows:

Section 1. Chapter 126, entitled "Taxation," of the Borough of Masontown Code of Ordinances is hereby supplemented by adding thereto the following new Article VI:

Article VI. Local Economic Revitalization Tax Assistance

Section 126-69. Definitions. As used in this Article, the following words and phrases shall have the meanings set forth below:

Act. The Pennsylvania Local Economic Revitalization Tax Assistance Act (LERTA), 72 P.S. §4722, *et seq.*

Borough. The Borough of Masontown, Fayette County, Pennsylvania.

Borough Council. The governing body of the Borough.

Deteriorated Area. The entire Borough.

Exemption. The exemption from Borough real property taxation established and obtained pursuant to the Ordinance.

Improvement. Any repair, construction or reconstruction, including alterations and additions, having the effect of improving and rehabilitating a Property within the Deteriorated Area so that it becomes habitable or attains higher standards of safety, health, economic use or amenity, or is brought into compliance with all applicable laws, ordinances, codes, rules and regulations governing such standards. Ordinary upkeep and maintenance shall not be deemed an Improvement.

Person. An individual, company, corporation, general partnership, limited partnership, association, limited liability company, trust, estate or other entity of any nature.

Property. Any industrial, commercial or other business property owned by any Person and located in the Deteriorated Area; excluding home occupations and home-based businesses.

Tax Exemption Program. The tax exemption program established by this Article in accordance with the Act.

Section 126-70. Exemption Area. Each Property located in the Deteriorated Area shall be eligible to participate in the Tax Exemption Program so long as it meets all of the requirements for the Tax Exemption Program as set forth in this Article.

Section 126-71. Exemption Amount.

A. The amount to be exempted from Borough real property taxes shall be limited to that portion of the additional assessment valuation attributable to the actual costs of the Improvements to the Property constructed after the effective date of this Article up to any maximum costs uniformly established by the Borough from time to time and must be actually incurred by the owner of the Property who is requesting and will be responsible for the payment of Borough real property taxes assessed for such Property.

B. The Exemption shall be limited to the Improvements for which the Exemption has been requested in the manner set forth in this Article and for which a separate tax assessment has been made by the Fayette County Board of Assessment Appeals. The Exemption shall only be granted if the Improvements have been completed in compliance with all applicable laws, ordinances, codes, rules, regulations, and a land development plan, if required, was approved by Borough Council, prior to construction of such Improvements.

C. In the case where a Property in the Deteriorated Area 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 such damage, destruction or demolition, the Exemption from Borough real property taxation shall be limited to the actual cost of the Improvements or construction that is in excess of the original assessment that existed prior to such damage, destruction or demolition. In the event a Property has been fully demolished in accordance with a demolition permit issued by the Borough and such property remained vacant of any structure for more than one (1) year from the date of issuance of such demolition permit, the Exemption from Borough real property taxation shall be the actual cost of the Improvements or construction.

D. The Exemption from Borough real property taxes granted pursuant to this Article shall be upon the Improvements on the Property and shall run with the land, and shall not terminate upon the sale or exchange of the Property.

Section 126-72. Exemption Schedule. The length and the amount of the Exemption provided for in this Article shall be the percentage over a ten (10) year period, as follows:

A. For the first (1st) year immediately following the date upon which the Improvements become assessable, in an amount equal to one hundred percent (100%) of the assessed valuation of the eligible Improvements shall be exempted from Borough real property taxation.

B. For the second (2nd) year immediately following the date upon which the Improvements become assessable, in an amount equal to one hundred percent (100%) of the assessed valuation of the eligible Improvements shall be exempted from Borough real property taxation.

C. For the third (3rd) year immediately following the date upon which the Improvements become assessable, in an amount equal to one hundred percent (100%) of the assessed valuation of the eligible Improvements shall be exempted from Borough real property taxation.

D. For the fourth (4th) year immediately following the date upon which the Improvements become assessable, in an amount equal to one hundred percent (100%) of the assessed valuation of the eligible Improvements shall be exempted from Borough real property taxation.

E. For the fifth (5th) year immediately following the date upon which the Improvements become assessable, in an amount equal to one hundred percent (100%) of the assessed valuation of the eligible Improvements shall be exempted from Borough real property taxation.

F. For the sixth (6th) year immediately following the date upon which the Improvements become assessable, in an amount equal to one hundred percent (100%) of the

assessed valuation of the eligible Improvements shall be exempted from Borough real property taxation.

G. For the seventh (7th) year immediately following the date upon which the Improvements become assessable, in an amount equal to one hundred percent (100%) of the assessed valuation of the eligible Improvements shall be exempted from Borough real property taxation.

H. For the eighth (8th) year immediately following the date upon which the Improvements become assessable, in an amount equal to one hundred percent (100%) of the assessed valuation of the eligible Improvements shall be exempted from Borough real property taxation.

I. For the ninth (9th) year immediately following the date upon which the Improvements become assessable, in an amount equal to one hundred percent (100%) of the assessed valuation of the eligible Improvements shall be exempted from Borough real property taxation.

J. For the tenth (10th) year immediately following the date upon which the Improvements become assessable, in an amount equal to one hundred percent (100%) of the assessed valuation of the eligible Improvements shall be exempted from Borough real property taxation.

K. The Exemption shall terminate on the eleventh (11th) year immediately following the date upon which the Improvements become assessable.

Section 126-73. Term of Tax Exemption Program/Sunset Provision. This Article VI of Chapter 126 shall become effective on the effective date and shall be applicable for a period of ten (10) calendar years thereafter, at which time it shall automatically expire.

Section 126-74. Exemption After Termination. Any Person timely applying for and receiving an Exemption in accordance with the provisions of this Article shall be entitled to the Exemption in accordance with the Exemption Schedule set forth in Section 126-72 of this Article even if such Exemption Schedule extends beyond the termination of the Tax Exemption Program, and for this purpose the Tax Exemption Program shall continue in force and effect until the last such Exemption amount granted pursuant hereto has expired. In the event of any dispute regarding the timeliness or completion of any such application, the determination of Borough Council made at a public meeting shall be final and binding.

Section 126-75. Procedure for Obtaining Exemption.

A. Each application for Exemption shall be in writing on a form established from time to time by Resolution of Borough Council. Application for Exemption forms may be

obtained from the Borough at the Borough offices located at 1 East Church Avenue, Masontown, Fayette County, Pennsylvania 15461.

B. Each Person desiring an Exemption in accordance with this Article shall fully complete and submit to the Borough at 1 East Church Avenue, Masontown, Fayette County, Pennsylvania 15461, an application for Exemption at the time of application for a building permit or construction permit for such Improvements. Failure to timely apply for the Exemption shall disqualify the Improvements from the Exemption provided for in this Article.

C. Upon receipt by the Borough of a fully completed application for Exemption, the Borough shall forward a copy thereof to the Fayette County Board of Assessment Appeals and instruct the Fayette County Board of Assessment Appeals to separately assess the eligible Improvements after completion of construction of such Improvements, calculate the amount of the assessment eligible for tax Exemption in accordance with the limits established by the Borough from time to time, if any, and notify the Borough and the taxpayer thereof. Appeals from the assessments and the amount eligible for the Exemption may be taken by the owner of such property or the Borough, as provided by law; provided, however, after the initial assessment, the applicant waives the right to appeal the assessment for the term of the Tax Exemption Program or Exemption. Upon receipt of such notification from the Fayette County Board of Assessment Appeals, the Exemption may be taken in accordance with the Exemption Schedule set forth in Section 126-72 of this Article.

Section 126-76. Revocation of Exemption. The Exemption from Borough real property taxes provided for in this Article shall be forfeited by the applicant and/or any subsequent owner of the Property and such Exemption shall be revoked by the Borough upon the occurrence of any of the following:

A. The failure to pay in full any non-exempt real estate taxes by the last day of the time period to pay such taxes in the penalty period. Upon receipt of the notice of nonpayment of non-exempt real property taxes, the Borough Treasurer shall immediately terminate the Exemption.

B. The failure to pay when due any amount due and owing to the Borough. Upon receipt of notice of nonpayment of any such amount, the Borough Treasurer shall immediately terminate the Exemption.

C. The failure to obtain and pay in full all fees for all necessary and proper permits, licenses and certificates prior to commencement of construction of the Improvements to, or occupancy of, the Property.

D. The failure to comply with the minimum standards established by all applicable laws, ordinances, codes, rules and regulations.

E. The failure to comply with the provisions of this Article.

Section 126-77. Rules and Regulations. Borough Council is hereby authorized and empowered to adopt, promulgate, amend, implement and enforce, by Resolution of Borough Council from time to time, reasonable rules and regulations to carry out the terms and provisions of this Article.

Section 126-78. Severability. If any provision, sentence, clause, section, subsection or portion of this Article is for any reason found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses, sections, subsections or portions of this Article. It is hereby declared as the intent of the Borough Council that this Article would have been adopted had such unconstitutional, illegal or invalid provision, sentence, clause, section, subsection or portion thereof not been included herein.

Section 2. All ordinances or parts of ordinances conflicting with the provisions of this Ordinance are hereby repealed insofar as they are inconsistent with this Ordinance.


Section 3. This Ordinance shall become effective upon enactment.

Section 4. The Code of Ordinances of the Borough of Masontown, Fayette County, Pennsylvania, as amended, shall be and remain unchanged and in full force and effect except as amended, supplemented and modified by this Ordinance. This Ordinance shall become a part of the Code of Ordinances of the Borough of Masontown, Fayette County, Pennsylvania, as amended, upon adoption.


Section 5. This Ordinance shall become effective upon enactment.

DULY ENACTED AND ORDAINED by the Borough Council of Masontown Borough this 27th day of June, 2017.

ATTEST:

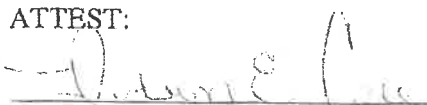

Secretary, Robin E. Core

COUNCIL OF THE BOROUGH OF MASONTOWN

By: 
Council President, Frank McLaughlin

APPROVED this 27th day of June, 2017, by the Mayor, Masontown Borough.

ATTEST:


Borough Secretary, Robin E. Core


Mayor, Toni Petrus

BOROUGH OF MASONTOWN, FAYETTE COUNTY, PENNSYLVANIA
1 East Church Avenue, Masontown, PA 15461
Telephone (724) 583-7731 Fax (724) 583-2208

**APPLICATION FOR EXEMPTION
FROM BOROUGH REAL PROPERTY TAXES ON IMPROVEMENTS TO
INDUSTRIAL, COMMERCIAL AND OTHER BUSINESS PROPERTIES, EXCLUDING
HOME OCCUPATIONS AND HOME-BASED BUSINESSES, LOCATED IN THE
DETERIORATED AREA IN THE BOROUGH
Pursuant to the Local Economic Revitalization Tax Assistance (LERTA) Program**

Property Location: _____

Property Address: _____ Property I.D. No.: _____

Property Owner(s): _____
(If joint ownership, list all owners)

Property Owner(s) Mailing Address: _____

Property Owner(s) Telephone Number: _____

Property Assessment Prior to Commencement of Construction: \$ _____
Attach a copy of current tax assessment or current tax bill.

Estimated Costs of Improvements: \$ _____

Description of Proposed Improvements: _____

Property Assessment AFTER Completion of Construction: \$ _____

(To be completed by Borough after receipt by Borough of notification of separate tax assessment by Fayette County Board of Assessment Appeals. Copy of NEW assessment notification to be attached.)

I/We, the undersigned owner(s) of the real property identified above, apply for the tax exemption available under the program established by the Borough pursuant to the Pennsylvania Local Economic Revitalization Tax Assistance Act (LERTA), 72 P.S. §4722, *et seq.* ("LERTA Program") as set forth in Article VI, entitled "Local Economic Revitalization Tax Assistance," of Chapter 126, entitled "Taxation," of the Borough of Masontown Code of Ordinances, adopted by Ordinance No. D1-6-27-17 of the Borough of Masontown, Fayette County, Pennsylvania ("LERTA Ordinance"), for the assessed value of the eligible improvements described above from any additional assessment (assessed value) for Borough real property taxes that may result from such eligible improvements. I/We understand that such exemption shall be valid only upon completion of all such eligible improvements and completion of all required applications and approvals for a period not to exceed ten (10) years in accordance with the terms and conditions set forth in the LERTA Ordinance.

I/We are the legal owner(s) of the property identified above and individually and jointly certify to the Borough that:

1. I/We apply in good faith in accordance with the terms and conditions set forth in the LERTA Ordinance.
2. All listed improvements must be completed and a reassessment must take place before any exemption will be granted.
3. All necessary and proper permits, licenses and certificates have been or will be obtained from, and all fees for such permits and certificates have been or will be paid in full to, the Borough prior to commencement of construction of such improvements.
4. All taxes and charges against the property are current.
5. Interim bills are NOT a part of the LERTA Program.
6. I/We understand that any exemption granted pursuant to the LERTA Ordinance shall be revoked by the Borough and is automatically forfeited by me/us and/or any subsequent owner(s) of the property upon the occurrence of ANY of the following: (a) the failure to pay in full any non-exempt real estate taxes by the last day of the time period to pay such taxes in the penalty period; (b) the failure to pay when due any amount due and owing to the Borough; (c) the failure to obtain and pay in full all fees for all necessary and proper permits and certificates prior to commencement of construction of the improvements to the property; (d) the failure to comply with the minimum standards established by all applicable laws, ordinances, codes, rules and regulations; and (e) the failure to comply with the provisions of the LERTA Ordinance.
7. I/We have read, understand and agree to be legally bound by all of the provisions set forth in the LERTA Ordinance.
8. I/We verify that all information contained in the Application are true and correct to the best of the undersigned's personal knowledge or information and belief, and made subject to the penalties of 18 Pa.C.S. Section 4904 relating to unsworn falsification to authorities.

INDIVIDUAL OWNER(S):

_____ (SEAL)
Owner (signature)
Print Name: _____
Date: _____

_____ (SEAL)
Owner (signature)
Print Name: _____
Date: _____

CORPORATE OR OTHER ENTITY OWNER(S):

Owner Name _____

Owner Name _____

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

BOROUGH AUTHORIZATION:

Date: _____

Print Name: _____

Authorized Borough Representative Council President, _____

Attest: Borough Secretary, _____