

AN ORDINANCE OF THE BOROUGH OF SUGARCREEK, VENANGO COUNTY, PENNSYLVANIA. PROVIDING FOR TAX EXEMPTION FOR IMPROVEMENTS TO CERTAIN DETERIORATED PROPERTY (ALL COMMERCIAL AND INDUSTRIAL IDENTIFIED ON THE ATTACHED MAP) AND NEW CONSTRUCTION OF COMMERCIAL AND INDUSTRIAL PROPERTY LOCATED IN THE INVESTMENT OPPORTUNITY AREAS PURSUANT TO PENNSYLVANIA ACT 76 OF 1977; DEFINING ELIGIBLE INVESTMENT OPPORTUNITY AREAS; PROVIDING FOR AN EXEMPTION PERIOD; ESTABLISHING A SCHEDULE OF EXEMPTION FOR THAT TIME PERIOD; AND PROVIDING A PROCEDURE FOR SECURING AN EXEMPTION.

WHEREAS, on December 1, 1977, the General Assembly of Pennsylvania passed act 76 of 1977, known as the Local Economic Revitalization Tax Assistance Act (LERTA) authorizing local taxing authorities to provide for exemption from taxes for certain deteriorated commercial, industrial or other business property; and

WHEREAS, there are deteriorated commercial, industrial or other business property (zoned: C-1, H/C, LI/C, LI, and I) within the Borough of Sugarcreek as designated on the attached map, hereinafter the Borough of Sugarcreek LERTA designated areas.

WHEREAS, the Council of the Borough of Sugarcreek, in accordance with said Act, held a public hearing to determine the boundaries of the designated areas.

NOW, THEREFORE, be it ordained by the Council of the Borough of Sugarcreek, Pennsylvania, and it is hereby ordained by the authority of the same as follows:

#### **SECTION 1: DEFINITIONS**

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

- A. "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.
- B. "Investment Opportunity Areas" refers to all property within the boundaries of the Borough of Sugarcreek LERTA designated area.
- C. "Local Taxing Authority" means the Borough of Sugarcreek, Sugarcreek Area School District, the County of Venango, or any other government entity having the authority to levy real property taxes within the Borough of Sugarcreek.
- D. "Municipal Governing Body" means the Borough of Sugarcreek and/or its Council.
- E. "Deteriorated Property" means any building whether it is actually in a state of disrepair or determined to be located in the designated deteriorated area; which has been determined as any Commercial, Highway/Commercial, Light Industrial/Commercial, Light Industrial, or Industrial zoned areas.

#### **SECTION 2: EXEMPTIONS**

- 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 attributed to the actual cost of improvements to the deteriorated property.

3. To the assessment valuation attributed 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 attributed to the improvement or new construction, as in the case may be and for which a separate or additional assessment has been made by the Venango County Board of Assessment Appeal, 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 when deteriorated property is damaged, destroyed or demolished, by any cause or for any reason, and assessed valuation of the property affected has been reduced as a result of the said damage, destruction or demolition, the exemption from real property taxation authorized by this ordinance shall be limited to that portion of new assessment attributed to the actual cost of improvements or construction that is in excess of the original assessments that existed prior to the damage, destruction or demolition of the property.

### SECTION 3: EXEMPTION SCHEDULE

A. For the ten years immediately following the year in which the improvements become assessable, the following real estate tax exemption schedule shall be in effect:

Length	Portion Exemption
First Year	100%
Second Year	90%
Third Year	80%
Fourth Year	70%
Fifth Year	60%
Sixth Year	50%
Seventh Year	40%
Eighth Year	30%
Ninth Year	20%
Tenth Year	10%

After the tenth 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.

C. If an eligible property is granted tax exemption pursuant to the ordinance, the exemption 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 the exemption is granted is modified, terminated or changed during the ten year exemption 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 the Borough Council, the exemption shall terminate as of the date the use was modified or terminated if the Council determines that continuation of the exemption would be inconsistent with the purposes of the ordinance.

**SECTION 4: PROCEDURE FOR OBTAINING EXEMPTION**

A. Any person desiring tax exemption pursuant to this ordinance shall apply to the Borough of Sugarcreek at the time a building 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 was issued for said improvements.
2. The location of the property to be improved.
3. The nature of the property to be improved and the use of the property (industrial, commercial, etc.)
4. The type of improvement.
5. The summary of the plan of the improvement.
6. The cost of the improvement.
7. The property has been inspected and verified by the Zoning Officer and/or Borough Manager AKA Borough Administrator.
8. Such additional information as the Borough may require.

B. A copy of the exemption requests shall be forwarded to the County Board of Assessment by the Borough Manager and/or Zoning Officer. The Board shall determine whether the exemption shall be granted and shall assess separately the improvements and calculate the amounts of the assessment eligible for the tax exemption in accordance with the limits established by this ordinance and notify the tax payer and local taxing authorities of the reassessment and the amounts of the assessment eligible for tax 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 improvements to properties.

C. The cost of improvements to be exempted and the schedule of taxes exempted, existing at the time of the initial requests 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 Valley Grove Area School District and the Venango 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 severable and if any of its sections, clauses or sentences shall be held 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 at each local taxing authority which has consented to be bound by the terms of this ordinance.

**SECTION 8: REPEALER**

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.

Sugarcreek Borough Ordinance No. 160 of 1996 (As Amended)

ORDAINED AND ENACTED AS THE LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE LAW (LERTA) ORDINANCE ON THIS THIRD DAY OF APRIL 1996 BY THE BOROUGH COUNCIL OF THE BOROUGH OF SUGARCREEK, VENANGO COUNTY, PENNSYLVANIA.

