

BILL NO. 12 OF 2008

ORDINANCE NO. 1801

AN ORDINANCE AND RESOLUTION OF THE CITY OF WASHINGTON
AMENDING THE LOCAL ECONOMIC REVITALIZATION TAX
ASSISTANCE ACT OF THE CITY OF WASHINGTON,
WASHINGTON COUNTY, PENNSYLVANIA

WHEREAS, Pennsylvania Act 46 of 1977 known as "The Local Economic Revitalization Tax Assistance Act" effective January 1, 2004, authorized municipalities of Pennsylvania to exempt improvements to certain deteriorated industrial, commercial and other business properties, which implemented Article VIII, Section 2(b)(iii) of the Constitution of Pennsylvania; and

WHEREAS, The three taxing bodies; namely, the County of Washington, Washington School District and the City of Washington, have expressed a desire to cooperate in the implementation of the provisions of Act 46 of 1977; and

WHEREAS, The Planning Commission of the City of Washington has reviewed the provisions of the aforesaid Act and has recommended by Resolution, areas throughout the City of Washington eligible for this program and further recommended general limits for the program; and

WHEREAS, The current LERTA resolution dated January 26, 2004 will expire on January 26, 2009; and

WHEREAS, The Washington City Council wishes to expand relief to include new construction and to better define eligibility and procedure; and

WHEREAS, The City of Washington proposes to enact a LERTA Ordinance, which is consistent with the resolution which follows;

NOW, THEREFORE, be it ordained, resolved and enacted by the City Council of the City of Washington, Pennsylvania, as follows:

Section 1. Definitions.

- a. "Deteriorated Property". Any industrial, commercial, or other business property owned by an individual, association or corporation, and located in a deteriorating area, as hereinafter provided, 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, ordinance or regulations.

- b. "Improvement" Repair, new 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 housing standards, ordinary upkeep and maintenance shall not be deemed an improvement.
- c. "Local Taxing Authority" The local taxing authority is the School District of Washington having authority to levy real property taxes.
- d. "Municipal Governing Body" The municipal governing body is the Board of School Directors of the Washington District.
- e. "Applicant/Owner" Applicant/Owner means any individual, partner, shareholder, trust, partnership, limited partnership, corporation or any other business association or any trust, partnership, limited partnership or corporation or any other business association that has any individual as part of the business association who had any ownership interest or rights in the property.

Section 2. Designated Areas.

The following areas of the City of Washington are designated as eligible for the provisions of this Resolution: The General Business District within the City of Washington and any areas zoned as "business districts" within the City of Washington. The designated areas shall include the business districts as defined in Part 3 of the City Zoning Ordinance, Chapter 27, enacted March 25, 1993, as amended. Clearance areas in Federally aided redevelopment projects are excluded and not eligible for tax exemption.

Section 3. Exemption.

From and after the effective date of this Resolution, improvements to deteriorated property as defined in this Resolution, subject to the provisions of this Resolution, shall be exempt from taxation in accordance with the exemption schedule contained herein. However, no applicant/owner may be eligible for relief under this Ordinance if they are receiving tax relief through Tax Incremental Financing (TIF). Further, no applicant/owner will be eligible for relief under this Resolution if said applicant/owner has delinquent taxes at the time of the application for relief under this Resolution.

Section 4. Application for Exemption.

An applicant/owner wishing to apply for an exemption must do so not later than sixty (60) days from the date of the issuance of a building permit by the City. At the time an applicant/owner of property secures a building permit for construction of the improvement for which an exemption is requested, the applicant/owner shall make an application for exemption. Requests for exemption must be in writing on forms prescribed by the City Clerk of the City of Washington or other representative designated by the City of Washington, a copy of which shall be submitted to the Director of District Operations of the School District and which shall set forth the following information:

- a. The date the Building Permit was issued for said improvements
- b. The type of improvements
- c. The summary of the plan of the improvements.
- d. The cost of the improvements
- e. Any such additional information as may be required.
- f. Notwithstanding any other provisions as set forth in this Resolution, requests for exemption must be accompanied by an affidavit by the applicant/owner of the subject property indicating that said applicant/owner has in respect to all properties owned, whether all or in part by applicant/owner in any form of entity in the City of Washington, paid all real estate taxes, earned income taxes, occupational privilege taxes, business privilege taxes, mercantile license taxes, per capita taxes, public water and sewage bills (issued by the Washington/East Washington Joint Authority), solid waste charges, and all other fees, assessments, claims or fines imposed by the City of Washington or any department or agency thereof, which are delinquent or due at the time said application for exemption is made.

In addition, said applicant/owner shall provide evidence of said payments as requested by the City Clerk or other representative designated by the local taxing authority.

In the event that it is discovered that said applicant/owner, at the time of said application, has any unpaid real estate taxes, earned income taxes, occupational privilege taxes, business privilege taxes, mercantile license taxes, per capita taxes, public water and sewage bills (issued by the Washington/East Washington Joint Authority), solid waste charges, and all other fees, assessments, claims or fines imposed by the City of Washington or any department or agency thereof, which are due at the time of said application, concerning all property owned, whether all or in part, by applicant/owner in any form of entity in the City of Washington, the request for exemption shall be denied and the applicant/owner shall not receive a tax exemption pursuant to this Resolution.

In addition, if at any time during the period of tax abatement, pursuant to this Resolution, an applicant/owner should become delinquent for any of the aforesaid taxes, claims or other charges, said relief and/or tax abatement provided herein shall automatically terminate on the date said taxes, claims, or other charges become delinquent and from and after said date, the applicant/owner of such property shall be liable for all taxes upon the subject property, including the amount abated pursuant to this Resolution.

Section 5. Exemption Schedule.

If the exemption request is approved by the Washington City Council and the Washington Board of School Directors, the exemption shall be in force for three (3) subsequent tax years and shall immediately and automatically terminate thereafter.

Section 6. Exemption Limitations.

The exemption from real estate taxes shall be limited to the additional assessment valuation attributable to the actual cost of improvements to the building. The length of the schedule of tax exemption shall not exceed the three (3) subsequent tax years from date of approval.

Section 7. Sale of Property.

The exemption from taxes authorized by this Resolution shall be upon the improvements to the property exempted, as aforesaid, and shall not terminate upon the sale or exchange of the property.

Section 8. Assessment.

If a property is granted tax exemption pursuant to this Resolution, the improvements shall not, during the exemption period, be considered as a factor in assessing other properties.

Section 9. Tax Assessment Office Procedures.

A copy of the Request for Exemption shall be forwarded to the Director of District Operations of the School District of the Washington School District, the Washington County Tax Assessment Office and to the City Treasurer's Office. Upon completion of the improvement, the applicant/owner shall notify the Tax Assessment Office and the City Treasurer's Office so that the Tax Assessment Office may assess the improvements separately for the purpose of calculating the amount of the assessment eligible for exemption, and will notify the applicant/owner and the Director of the District Operations of the School District. Once the assessment of the amount eligible for exemption has been completed, the Director of District Operations shall submit the request for approval of the application for exemption to the Board of School Directors for approval. Appeal from the reassessment and the amount eligible for the exemption may be taken by the applicant/owner, school district and/or city.

Section 10. Effective Date and Term.

The provisions of this Resolution shall be effective and shall supersede the current resolution upon passage by the Board of School Directors of the Washington School District and City Council of the City of Washington, whichever comes last, and shall continue to be effective for a period of five (5) years from said date, at which time it shall automatically terminate. Any exemption approved during said term shall continue beyond the term of this Resolution per Sections 5 and 6, however, in no event will the tax exemption be granted to exempt any property for a period greater than three (3) years.

Section 11. Severability and Repealer.

If any section, clause, or part of this Resolution is for any reason found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall not affect any of the remaining provisions, sentences, clauses, sections or parts of this Resolution. It is hereby declared as the intent of the Washington City Council, Washington, Pennsylvania, that this Resolution would have been adopted had such unconstitutional, illegal, or invalid sentence, clause, section or part thereof not been included therein.

Any Ordinance or parts of Ordinances inconsistent herewith are hereby repealed.

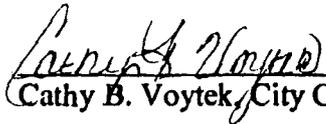
FIRST READING: April 3, 2008

FINAL READING: May 8, 2008

CITY OF WASHINGTON, PENNSYLVANIA

BY: 
L. Anthony Spossey, Mayor

ATTEST:


Cathy B. Voytek, City Clerk

(SEAL)