

BILL NO. 11 OF 2010

ORDINANCE NO. 1837

**RESIDENTIAL LOCAL ECONOMIC REVITALIZATION
TAX ASSISTANCE AND RESIDENTIAL IMPROVEMENT OF
DETERIORATING REAL PROPERTY OR TAX EXEMPTION RESOLUTION**

On the 9th day of September 2010 the Council of the City of Washington, Washington County, Pennsylvania approved the following Resolution:

WHEREAS, the Council of the City of Washington approved a Resolution to exempt improvements to certain deteriorated residential properties pursuant to the improvement of deteriorating real property or the areas Tax Exemption Act and the Resolution to exempt new residential housing pursuant to the Local Economic Revitalization Tax Assistance Act on December 6, 1999 which was retroactive to September 16, 1999, the date on which the City of Washington also enacted such a Resolution; and

WHEREAS, said Residential LERTA expired on September 17, 2005; and

WHEREAS, the tax bodies, namely the County of Washington, City of Washington and the City of Washington have expressed the desire to cooperate in the implementation of the provisions of said Act; and

WHEREAS, it is the desire of the City of Washington to enact a Residential LERTA Resolution pursuant to the improvement of deteriorating real property or areas of the Tax Exemption Act and the Local Economic Revitalization Tax Assistance Act effective on the date approved.

NOW THEREFORE, the following Resolution is approved by the Council of the City of Washington effective on the date approved as follows:

A. ABATEMENT PROGRAM FOR DETERIORATING REAL PROPERTY (IMPROVEMENT) PER THE IMPROVEMENT OF DETERIORATING REAL PROPERTY OR AREAS TAX EXEMPTION ACT, 72 P.S. §4711-101 ET SEQ.

1. The Council of the City of Washington does hereby authorize a tax-exemption pursuant to the Improvement of Deteriorating Real Estate Property or Areas Tax Exemption Act.
2. The boundaries of the deteriorated neighborhood or neighborhoods within the City of Washington shall include all of the property situate in the City of Washington for the purposes of said tax exemption.

3. That a joint public hearing was held by the Mayor and Council for the City of Washington and by the Board of School Directors of the Washington School District concerning the location of boundaries of a deteriorating area or areas. Said public hearing was held on March 8, 2010.
4. Based upon the information provided at said public hearing, the City of Washington has determined that the aforesaid boundaries of a deteriorated neighborhood and neighborhoods is appropriate under the circumstances and that it is hereby established by the City of Washington that said boundaries will constitute the areas for said tax exemption.
5. The criteria for the determination of said boundaries included considering unsafe, unsanitary and overcrowded buildings; vacant, overgrown and unsightly lots of ground; a disproportionate number of tax delinquent properties; excessive land coverage, defective design or arrangement of buildings, street or lot layouts; economically and socially undesirable land uses.
6. The tax-exemption is hereby established by the City of Washington as a tax-exemption on the assessment attributable to the actual cost of improvements up to the maximum cost per dwelling unit as allowed by law. For the first, second and third year for which improvements would otherwise be taxable, 100% of the eligible assessment shall be exempted. After the third year the exemption shall terminate. The exemption from taxes shall be limited to the additional assessment valuation attributable to the actual costs of improvements to deteriorated property not in excess of the maximum cost for dwelling units specified herein. The maximum cost shall be \$10,000.00 per dwelling unit for improvements constructed during 1971 and for years thereafter shall be the maximum cost for the preceding year multiplied by the ratio of the United States Bureau of the Census New one-family Houses Price Index for the current year to such Index for the preceding year. The date of construction shall be the date of issuance of the building permit, improvement, record or other required notification of construction. No tax exemption shall be granted under the provisions of this article for any improvements to any dwelling unit in excess of the maximum cost specified above.
7. The City of Washington hereby establishes that the date of the construction or improvement shall be the date of issuance of the building permit, improvement record or other required notification of construction. No tax exemption shall be granted under the provisions of this Resolution and pursuant to the "Improvement of Deteriorating Real Property or Areas Tax Exemption Act" for any improvement to any dwelling unit in excess of the maximum cost specified herein.

8. The exemption from taxes authorized by this Resolution shall be upon the property exempted and shall not terminate upon the sale or exchange of the property.
9. In addition to the application form to be provided by the City of Washington the application 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. See Exhibit "A" for the form of affidavit.

In addition, said applicant/owner shall provide evidence of said payments as requested by the City of Washington Code Enforcement Officer 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 properties 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.

10. Any person desiring a tax exemption pursuant to this Resolution shall apply to the City Washington Code Enforcement Officer in writing on a form provided by the City of Washington within sixty (60) days of the date that the person desiring the

tax exemption secures a building permit, or if no building permit or other notification of improvement is required, within sixty (60) days of the date the person commences construction. No application shall be accepted or approved which is submitted more than sixty (60) days after the expiration of this Resolution. A copy of the exemption request shall be forwarded to the Director of District Operations of the City of Washington and the Washington County Board of Assessment and Revision of Taxes or other appropriate assessment agency. The person applying for the exemption shall within sixty (60) days of the completion of construction notify the assessment agency of the completion of the improvement. The assessment agency shall assess separately the improvement and calculate the amounts of the assessment eligible for tax exemption in accordance with the limits established herein and notify the taxpayer, the City of Washington Code Enforcement Officer, the Director of District Operations of the City of Washington and the Board of Assessment and Revision of Taxes of Washington County of the reassessment and the amounts of the assessment eligible for exemption.

11. The cost of improvements per dwelling unit 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 amendments to this Resolution, if any, shall not apply to requests initiated prior to their adoption.
12. For purposes of this Resolution, the following definitions shall apply:
 - a. "Deteriorated property" means a dwelling unit located in a deteriorated neighborhood, as hereinafter provided, or a dwelling unit which has been or upon request is certified by a health, housing or building inspection agency as unit for human habitation for rent withholding, or other health or welfare purposes, or has been the subject of an order by such an agency requiring the unit to be vacated, condemned or demolished by reason of noncompliance with laws, ordinances or regulations.
 - b. "Dwelling unit" means, unless otherwise defined in the ordinance or resolution providing for tax exemption, a house, apartment, or group of rooms intended for occupancy as separate living quarters by family or other groups or a person living alone, containing a kitchen or cooking equipment for the exclusive use of the occupants.
 - c. "Improvement" means repair, construction or reconstruction, including alterations and additions, having the effect of rehabilitating a structure so that it becomes habitable or attains higher standards of housing safety, health of amenity, or is brought into compliance with laws, ordinances or regulations governing housing standards; ordinary upkeep and maintenance shall not be deemed an improvement.

B. ABATEMENT PROGRAM FOR DETERIORATING AREA IMPROVEMENT (RESIDENTIAL CONSTRUCTION) PER 72 P.S. §4711-301

1. Pursuant to the Improvement of Deteriorating Real Property or Areas Tax Exemption Act, 72 P.S. §4711-301, et seq., the City of Washington does hereby authorize a tax exemption pursuant to said Act, for areas determined by the City of Washington, as set forth herein, to be physically blighted.
2. The tax exemption which is the subject of this Tax Abatement Program shall apply to physically blighted areas within the City of Washington, as designated herein, as the Mayor and Council of the City of Washington have determined where one or more of the following apply:
 - a. The residential buildings, by reason of age, obsolescence, inadequate or outmoded design or physical deterioration have become economic and/or social liabilities.
 - b. The residential buildings are substandard or unsanitary for healthful and safe living purposes.
 - c. The residential buildings are overcrowded, poorly spaced, or are so lacking in light, space and air as to be conducive to unwholesome living.
 - d. The residential buildings are faultily arranged, cover the land to an excessive extent or show a deleterious use of land, or exhibit any combination of the above which is detrimental to health safety or welfare.
 - e. A significant percentage of buildings used for residential purposes is more than 20 years of age.
 - f. A substantial amount of unimproved, overgrown and unsightly vacant land exists which has remained so for a period of five years or more indicating a growing or total lack of utilization of land for residential purposes.
 - g. A disproportionate number of tax exempt or delinquent properties exists in the area.
3. The boundaries of the deteriorated neighborhood or neighborhoods within the City of Washington shall include all of the property situate in the City of Washington for the purposes of said tax exemption.
4. That a joint public hearing was held by the Mayor and Council for the City of Washington and by the Board of School Directors of the Washington School District concerning the location of boundaries of a deteriorating area or areas. Said public hearing was held on March 8, 2010.

5. Based upon the information provided at said public hearing, the City of Washington has determined that the aforesaid boundaries of the deteriorated areas are appropriate under the circumstances and that it is hereby established by Council for the City of Washington that said boundaries will constitute the deteriorating areas for said tax exemption.
6. The tax exemption shall be limited to the assessment valuation attributable to the total cost of construction of the new dwelling unit. The exemption shall commence in the tax year immediately following the year in which the building permit is issued.
7. The exemption from taxes authorized by this program shall be upon the newly-constructed dwelling unit or units exempted and shall not terminate upon the sale or exchange of the property, unless otherwise provided in this article.
8. For the first, second and third year for which said newly constructed dwelling unit or units would otherwise be taxable, 100% of the eligible assessment shall be exempted; after the third year, the exemption shall terminate.
9. The City of Washington hereby establishes that the date of construction shall be the date of issuance of the building permit.
10. If a property containing new residential construction is granted tax exemption pursuant to this program, the property shall not, during the exemption period, be considered as a factor in assessing the value of other properties in the same area.
11. Any person desiring a tax exemption pursuant to this Resolution shall apply to the City of Washington Code Enforcement Officer in writing on a form provided by the City of Washington within (sixty (60) days of the date that the person desiring the tax exemption secures a building permit, or if no building permit or other notification of improvement is required, within sixty (60) days of the date the person commences construction. No application shall be accepted or approved which is submitted more than sixty (60) days after the expiration of this Resolution. A copy of the exemption request shall be forwarded to the Director of District Operations of the Washington School District, the Washington City Clerk and the Washington County Board of Assessment and Revision of Taxes or other appropriate assessment agency. The person applying for the exemption shall within sixty (60) days of the completion of construction notify the assessment agency of the completion of the improvement. The assessment agency shall assess separately the improvement and calculate the amounts of the assessment eligible for tax exemption in accordance with the limits established herein and notify the taxpayer, the City of Washington Code Enforcement Officer, the Director of District Operations of the Washington School District and

the Board of Assessment and Revision of Taxes of Washington County of the reassessment and the amounts of the assessment eligible for exemption.

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 properties 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.

12. The cost of construction per dwelling unit to be exempted and the schedules of taxes exempted existing at the time of the initial request for tax exemption shall be applicable to the exemption request, and subsequent amendments to this Resolution, if any, shall not apply to requests initiated prior to their adoption.
13. For the purposes of this Resolution with regard to the Abatement Program for Deteriorating Area Improvement (Residential Construction), the following definitions shall apply:
 - a. "Dwelling unit" means, a house, double house or duplex, townhouse or row house, apartment, or any other building intended for occupancy as living quarters by an individual, a family or families or other groups of persons, which living quarters contain a kitchen or cooking equipment for the exclusive use of the occupant or occupants.
 - b. "Residential construction" means the building or erection of dwelling units, as defined above, upon vacant land or land specifically prepared to receive such structures.

C. LENGTH OF EXEMPTION, (IMPROVEMENT AND CONSTRUCTION)

1. Written exemption requests will be accepted by the City of Washington from and after the date of approval of this Resolution through August 8, 2015. No further exemption requests will be considered by the City of Washington on or after August 8, 2015, unless the terms of this program are extended by a majority vote of the Council of the City of Washington by resolution.
2. The Council of the City of Washington reserve the right to modify the terms set forth in this tax-exempt program by resolution subsequently adopted by the City of Washington.

D. SEVERABILITY

The provisions of this Ordinance are severable. If any Section, sentence, clause or phrase of this Ordinance shall be held illegal, invalid, unconstitutional by any court of competent jurisdiction, such decision of the court shall not affect or impair the remaining sections, sentences, clauses, or phrases of this ordinance.

It is hereby declared as the intent of the Council of the City of Washington that this Ordinance would have been adopted had such invalid or unconstitutional section, sentence, clause or phrase not been included herein. Furthermore, it is the intent of this Ordinance to be supplementary to and not contrary to any laws of the Commonwealth of Pennsylvania or regulations of any of its executive agencies.

E. REPEALER.

All ordinances or parts of ordinances that are inconsistent herewith are hereby repealed.

F. EFFECTIVE DATE

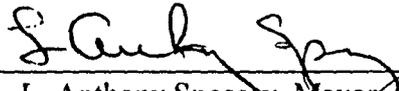
This Ordinance shall take effect and be enforced from and after its approval as provided by law.

ENACTED AND ORDAINED by the Washington City Council, Washington, Washington County, Pennsylvania this 9th day of September 2010.

FIRST READING: August 12, 2010

FINAL READING: September 9, 2010

CITY OF WASHINGTON, PENNSYLVANIA

By: 
L. Anthony Spossey, Mayor

ATTEST:


Cathy B. Voytek, City Clerk