

**BOROUGH OF GREENCASTLE
ORDINANCE NO. 2012 - 10**

AN ORDINANCE OF THE BOROUGH OF GREENCASTLE, FRANKLIN COUNTY, PENNSYLVANIA ADOPTING THE LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE ("LERTA") PROGRAM, PURSUANT TO PENNSYLVANIA ACT #76 OF 1977, PROVIDING FOR TAX EXEMPTION FOR CERTAIN DETERIORATED AREAS WITHIN THE BOROUGH, PROVIDING FOR AN EXEMPTION PERIOD, ESTABLISHING A SCHEDULE OF PERCENTAGE EXEMPTION FOR THAT TIME PERIOD, AND ESTABLISHING STANDARDS AND QUALIFICATIONS FOR PARTICIPANTS.

WHEREAS, the Borough of Greencastle, Franklin County, Pennsylvania is a local taxing authority, authorized by the Local Economic Revitalization Tax Assistance Act, the Act of December 1, 1977, P.L. 237, No. 76, (72 P.S. § 4722 *et seq.*) (hereinafter the "Act") to provide tax exemption for new construction in deteriorated areas of economically depressed communities and for improvements to certain deteriorated industrial, commercial and other business properties; and

WHEREAS, there are deteriorated industrial, commercial and other business properties within the Borough of Greencastle; and

WHEREAS, a public hearing, as required by the Act, has been held on November 5, 2012, for the purpose of determining the boundaries of deteriorated areas within the Borough of Greencastle; and

WHEREAS, the Council desires to encourage new industrial, commercial and business development and improvements to deteriorated properties in these areas through the use of tax exemptions.

NOW THEREFORE, BE IT ENACTED AND ORDAINED by the Mayor and Council of the Borough of Greencastle, Franklin County, Pennsylvania, and it is enacted and ordained as follows:

SECTION 1: DEFINITIONS.

The following words and phrases when used in this Ordinance shall have the following meaning:

1. **Deteriorated Property**: Any industrial, commercial or other business property located in an eligible deteriorating area as defined hereinafter in SECTION 2, or any such property which has been the subject of an order of a governmental agency requiring the property to be vacated, condemned, or demolished by reason of non-compliance with laws, ordinances, or regulations. In the event that a property is used for both residential and industrial, commercial or business purposes, also known as a mixed use, deteriorated property shall consist only of that portion of the property (based on percentage of square footage) which is used for industrial, commercial or other business purposes, as determined by the Borough in its sole discretion. In no event shall any portion of property (based on percentage of square footage) used for residential purposes be considered and/or defined as deteriorated property.

2. **Improvements**. Repair, new construction or reconstruction, building alterations or additions, having the effect of rehabilitating 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 or maintenance shall not be deemed an improvement.

SECTION 2: ELIGIBLE AREAS.

The Borough Council determines that the areas shown on the map attached hereto as Exhibit "A" and incorporated by reference shall be the deteriorated area(s) within the Borough which contain deteriorated properties which are eligible for tax exemption under this Ordinance.

SECTION 3: EXEMPTION.

- a. The amount to be exempted from real estate taxes shall be limited to that portion of the additional assessment attributable to the actual cost of new construction or improvements to deteriorated property in accordance with the exemption schedule established by this Ordinance.
- b. The exemption from real estate taxes shall be limited to the new construction or improvement for which an exemption has been requested in the manner set forth in the Act and restated in this Ordinance and for which a separate assessment has been made by the Board of Assessment Appeals.
- c. In any case, after the effective date of this Ordinance, where deteriorated property is damaged, destroyed, demolished by any cause or for any reason and the assessed valuation of the property is affected, has been reduced as the result of said damage, destruction, or demolition, the exemption from real property taxation authorized by this Ordinance shall be limited to that portion of the new assessment attributable to the actual cost of the new construction or improvements that is in excess of the original assessment that existed prior to damage, destruction or demolition of the property. The foregoing provision shall not be deemed to apply to the property(ies) the title to which is (are) acquired, subsequent to the effective date of this Ordinance from Franklin County under the provisions of the Real Estate Tax Sale Law, 72 P.S. § 5806.101 *et. seq.*

SECTION 4: EXEMPTION SCHEDULE.

- a. The schedule of Borough real estate taxes to be exempted shall be in accordance with the following portion (percent) of improvements to be exempted each year.

<u>Length (Year)</u>	<u>Portion (Percent)</u>
First	100%
Second	80%
Third	60%
Fourth	40%
Fifth	20%

- b. If an eligible property is granted a tax exemption pursuant to this Ordinance, the actual cost of the new construction or improvement shall not, during the exemption period, be considered as a factor in assessing other properties.
- c. 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.

SECTION 5: PROCEDURE FOR OBTAINING EXEMPTION.

- a. Any person desiring tax exemption under this Ordinance shall notify the Manager and Tax Collector of the Borough of Greencastle, the Business Manager of the Greencastle-Antrim Area School District and the County of Franklin, within the deteriorated area identified in Section 2 above (each a "Local Taxing Authority"), in writing on a form provided to the applicant at the time a building permit, or if no building permit, other notification, for new construction or any improvements, has been secured by the applicant. A copy of each exemption request shall be forwarded to the Franklin County Assessment Office. The Franklin County Assessor shall, upon notice by applicant and after completion of the new construction or improvement, assess separately the new construction or improvement and calculate the amount of the assessment eligible for tax exemption in accordance with the limits established by

each Local Taxing Authority and shall notify the taxpayer and each Local Taxing Authority of the reassessment and the amount of the assessment eligible for the exemption. Appeals from the reassessment and the amount eligible for the exemption may be taken by the taxpayer or any Local Taxing Authority as provided by the Act.

- b. The cost of the new construction or improvements 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 amendment to this Ordinance, if any, shall not apply to requests initiated prior to their adoption.
- c. Appeals from the reassessment and the amount eligible for the exemption may be taken by the Borough or the Taxpayer as provided by law.

SECTION 6: TERMINATION DATE.

An application for exemption may be made at any time within five (5) years from the effective date of this Ordinance. All qualified applications under this Ordinance are eligible for the entire five (5) year exemption schedule.

SECTION 7: REVOCATION OF LERTA EXEMPTION.

The exemption from real estate taxes provided for herein shall be forfeited by the taxpayer and/or any subsequent owner of the property for the failure to pay any nonexempt real estate taxes to any Local Taxing Authority by the last day of the time period to pay such taxes in the penalty period, unless the taxpayer has lawfully filed an appeal thereof. Upon receipt of the notice of nonpayment of nonexempt real estate taxes, the Borough Tax Collector shall discontinue the LERTA exemption as provided for under this Ordinance.

SECTION 8: REPEALER.

All provisions of previous Ordinances or any part thereof of the Borough of Greencastle which are contrary to this Ordinance are expressly repealed.

SECTION 9: 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.

SECTION 10: EFFECTIVE DATE.

This Ordinance shall become effective immediately.

ENACTED & ORDAINED this 5th day of November, 2012.

ATTEST:

Borough Council of the Borough
of Greencastle,
Franklin County, Pennsylvania

/S/ Kenneth W. Womack
Kenneth W. Womack, Secretary

/S/ Charles R. Eckstine
Charles R. Eckstine, President

/S/ Robert E. Eberly
Robert E. Eberly, Mayor