

## ORDINANCE NO. 611

### **LERTA Ordinance Establishing Exemptions from Property Tax for Industrial, Commercial, or Other Business Property; Setting an Exemption Schedule; and Providing a Procedure for Obtaining an Exemption**

WHEREAS, the General Assembly of Pennsylvania passed Act No. 76 of 1977 (72 P.S. §4722 et seq.) known as the Local Economic Revitalization Tax Assistance Act (LERTA) which authorizes local taxing authorities to provide for tax exemption for certain industrial, commercial, and other business properties to provide an opportunity for revitalization; and

WHEREAS, there are industrial and commercial properties within the Borough of Fleetwood that would benefit from revitalization; and

WHEREAS, the Council of the Borough of Fleetwood in accordance with said Act held a public hearing to establish the LERTA provisions, which hearing was duly advertised; and

NOW, THEREFORE, BE IT ORDAINED, by the Council of the Borough of Fleetwood that:

#### **I. DEFINITIONS**

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

(a) "Property" means any industrial, commercial or other business property owned by an individual, association or corporation, and located in the Borough of Fleetwood.

(b) "Improvement" means repair, construction or reconstruction, including alterations or additions, having the effect of rehabilitating a 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.

(c) "Borough" means the Borough of Fleetwood.

## **II. EXEMPTION AREA**

All commercial, industrial, or local business properties located in the Borough are eligible to participate in this tax exemption program, so long as they meet the pre-requisites for the program as hereinafter described.

## **III. EXEMPTION AMOUNT**

(a) The amount to be exempted shall be limited to that portion of the additional assessment valuation attributable to the actual costs of the Improvement to the Property and must be actually incurred by the owner of the Property who is requesting and will be responsible to pay for Borough taxes.

(b) The exemption shall be limited to the Improvement for which the exemption has been requested in the manner set forth below and for which a separate tax assessment has been made by the Berks County Board of Assessment Appeals. Tax exemption shall only be granted if the Property has been completed in compliance with the various codes of the Borough, and a land development plan approved by the Council of the Borough.

(c) In any case where deteriorated Property is damaged, destroyed or demolished, by any cause or for any reason, and the assessed valuation of the Property affected has been reduced as the result of such damage, destruction or demolition, the exemption from real property taxation shall be limited to the actual cost of Improvements or construction that is in excess of the original assessment that existed prior to damage, destruction or demolition of the Property. In the event that a Property has been fully demolished by demolition permit, and has remained vacant of any structure after the expiration of one year from the time of issue of the permit, then the assessed value of the demolished Improvements shall thereafter not be subject to taxation.

## **IV. EXEMPTION SCHEDULE**

(a) For the first year immediately following the date upon which the Improvement becomes assessable, one hundred percent (100%) of the assessed valuation of the eligible Improvement shall be exempted.

- (b) For the second year immediately following the date upon which the Improvement becomes assessable, ninety percent (90%) of the assessed valuation of the eligible Improvement shall be exempted.
- (c) For the third year immediately following the date upon which the Improvement becomes assessable, eighty percent (80%) of the assessed valuation of the eligible Improvement shall be exempted.
- (d) For the fourth year immediately following the date upon which the Improvement becomes assessable, seventy percent (70%) of the assessed valuation of the eligible Improvement shall be exempted.
- (e) For the fifth year immediately following the date upon which the Improvement becomes assessable, sixty percent (60%) of the assessed valuation of the eligible Improvement shall be exempted.
- (f) For the sixth year immediately following the date upon which the Improvement becomes assessable, fifty percent (50%) of the assessed valuation of the eligible Improvement shall be exempted.
- (g) For the seventh year immediately following the date upon which the Improvement becomes assessable, forty percent (40%) of the assessed valuation of the eligible Improvement shall be exempted.
- (h) For the eighth year immediately following the date upon which the Improvement becomes assessable, thirty percent (30%) of the assessed valuation of the eligible Improvement shall be exempted.
- (i) For the ninth year immediately following the date upon which the Improvement becomes assessable, twenty percent (20%) of the assessed valuation of the eligible Improvement shall be exempted.
- (j) For the tenth year immediately following the date upon which the Improvement becomes assessable, ten percent (10%) of the assessed valuation of the eligible Improvement shall be exempted.

(k) After the tenth year, the exemption shall terminate.

(l) The exemption for Improvements to deteriorated Property shall commence in the tax year immediately following the year in which the Improvement is substantially completed.

(m) 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.

## **V. NOTICE TO TAXPAYERS**

(a) An application for exemption may be secured from the Borough, 110 West Arch Street, Fleetwood, Pennsylvania and must be filed with the Borough at the time a building or alteration permit is secured, or, if no building or alteration permit is required, then at the time that construction commences.

(b) At the time a building or alteration permit is secured for the construction of an Improvement for which an exemption is requested, or at the time construction commences if no permit is required, the taxpayer shall apply to the Borough for the exemption provided for in this Ordinance. Request for the exemption must be in writing certified in full setting forth the following information:

(1) The date the building permit or alteration permit was issued for said Improvements.

(2) The location of the Property to be improved.

(3) The nature of the Property to be improved.

(4) The type of improvement.

(5) The summary of the plan of the Improvement.

(6) The cost of the Improvement incurred by the owner.

(7) Any and all additional information the Borough may require.

## **VI. PROCEDURE FOR OBTAINING EXEMPTION**

- (a) A copy of the application for exemption shall be forwarded to the Berks County Board of Assessment Appeals (the “Berks County Tax Assessor”) by the Borough. Upon completion of the Improvements, the taxpayer shall notify the Borough and the Berks County Tax Assessor, so that the Berks County Tax Assessor can assess the Improvements separately for the purpose of calculating the amount of assessment eligible for tax exemption in accordance with the limits established in this Ordinance. The Borough will then obtain from the Berks County Tax Assessor the amount of the assessment eligible for exemption, and will notify the taxpayer. Appeals from the assessments and the amount eligible for the exemption may be taken by the taxpayer or the Borough as provided by law. However, after the initial assessment, the applicant waives the right to appeal the assessment for the term of the program or exemption.
- (b) The Borough may, by Ordinance adopted from time to time, extend the time for filing an application for exemption. However, in no event shall any one (1) extension period exceed three (3) years.

## **VI. REVOCATION OF EXEMPTION**

The exemption from real estate taxes provided for herein shall be forfeited by the Applicant and/or any subsequent owner of the real estate upon the occurrence of any of the following:

- (a) Failure to pay 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 non-payment of non-exempt real estate taxes, the Borough Treasurer shall discontinue the LERTA exemption; or
- (b) Failure to obtain the necessary and proper permits prior to making Improvements to the Property; or
- (c) Failure to comply with the minimum standards of the laws, ordinances, regulations and codes of the Borough; or
- (d) Non-conformance of the use of the Property with the laws, ordinances, regulations and codes of the Borough; or
- (e) Failure of the owner of the Property to comply with the provisions of this Ordinance.

## VII. RULES AND REGULATIONS

The Council of the Borough is hereby authorized and empowered to prepare, promulgate, and enforce rules and regulations made pursuant to the provision of this Ordinance. Such rules and regulations shall have the full force and effect of law unless modified, revoked, or repealed by Borough Council.

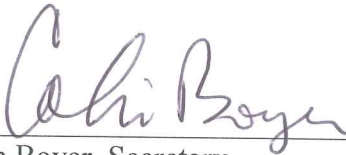
## VIII. SEVERABILITY

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.

## IX. EFFECTIVE DATE

This Ordinance shall become effective on May 1, 2015.

ORDAINED AND ENACTED by Council this 13<sup>th</sup> day of April, 2015.



Colin Boyer, Secretary



Suzanne Pittella Touch, President

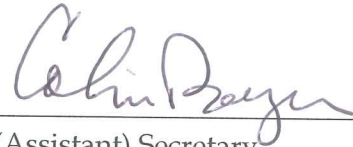


Tammy Gore, Mayor

MUNICIPAL CERTIFICATION

I, Colin Boyer, (Assistant) Secretary of the Borough of Fleetwood, Berks County, Pennsylvania, do hereby certify that the foregoing Ordinance No. 611 was advertised in the *Reading Eagle*, a daily newspaper of general circulation in the Borough of Fleetwood, on Friday, April 3, 2015, and was duly enacted and approved as set forth at a Regular Meeting of the Borough Council held on April 13, 2015.

[SEAL]

  
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(Assistant) Secretary