

BOROUGH OF WAYNESBORO

ORDINANCE NO. 2024 - 1206

AN ORDINANCE OF THE BOROUGH OF WAYNESBORO, FRANKLIN COUNTY, PENNSYLVANIA, FOR THE PURPOSE OF AUTHORIZING THE GRANTING OF TAX EXEMPTION RELIEF FOR CERTAIN NEW CONSTRUCTION AND IMPROVEMENTS FOR DESIGNATED DETERIORATED PROPERTIES WITHIN THE BOROUGH OF WAYNESBORO, PURSUANT TO THE LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE ACT, ESTABLISHING A MAXIMUM EXEMPTION AMOUNT AND EXEMPTION SCHEDULES, AND PROVIDING A PROCEDURE FOR SECURING AN EXEMPTION.

WHEREAS, the Borough of Waynesboro, Franklin County, Pennsylvania (the "Borough") is a taxing authority, as that term is defined in the Local Economic Revitalization Tax Assistance Act, the Act 76 of 1977, P.L. 237, codified at 72 P.S. § 4722-4727 (hereinafter "LERTA" or the "LERTA Act"), specifically in the definition section at 72 P.S. § 4724; and

WHEREAS, the Borough, as a taxing authority, may provide tax exemption relief for the assessed valuation of improvements made to deteriorated properties, and the assessed valuation of new construction in certain designated deteriorated areas, pursuant to the LERTA Act; and

WHEREAS, pursuant to the requirements of the LERTA Act, on January 17, 2024, Borough Council of the Borough of Waynesboro (hereafter "Borough Council") held a public hearing for the purposes of receiving public comment relative to the matter of the determination of the boundaries of a deteriorated area or areas within the Borough; and

WHEREAS, the Borough of Waynesboro Planning Commission has provided recommendations to Borough Council regarding boundaries of the deteriorated area; and

WHEREAS, said deteriorated area contains real properties within the Borough of Waynesboro that would benefit from a financial incentive in the form of real property tax exemption relief in order to encourage new industrial, commercial and business development, and redevelopment of the designated deteriorated properties comprising the designated deteriorated area.

NOW, THEREFORE, with the foregoing incorporated herein and made an essential part hereof, be it **ENACTED AND ORDAINED** by the Mayor and Borough Council for the Borough of Waynesboro, Franklin County, Pennsylvania, and it is hereby **ENACTED AND 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 meanings set forth below:

A. "Assessed Valuation" means the assessment placed on real property by the Franklin County Assessment Office upon which all real estate tax shall be calculated.

B. "Borough" means the Borough of Waynesboro.

C. "County" means the County of Franklin.

D. "WASD" means the Waynesboro Area School District.

E. "Deteriorated Property" means any industrial, commercial or other business property owned by an individual, association or corporation, and located in a deteriorating area, as determined by the Borough and as provided for herein, 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, ordinances or regulations.

F. "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.

G. "Local taxing authority" means the Borough of Waynesboro, the Waynesboro Area School District, the County of Franklin, or any other governmental entity having the authority to levy real property taxes within the Borough of Waynesboro.

H. "Non-residential Use" means the use, as permitted by the applicable zoning provisions, of a building or structure for commercial, industrial, or manufacturing purposes, or any other activity that is done to further either the development, manufacturing, or distribution of goods and services, including, but not limited to, administration of business activities, research and development, warehousing, shipping, transport, remanufacturing, stockpiling of raw materials, storage, and repair and maintenance of commercial machinery and equipment. This term shall not include schools, nursing homes, or other residential-style facilities or recreational areas.

I. "Occupiable Building Square Footage" means the unit of measurement of an enclosed space which is designed for occupancy of either the residential or non-residential use and available for use by an occupant. This term shall not include parking areas, outdoor common areas, interior common areas such as lobbies, hallways, shared restrooms that are available for non-residential and residential uses. Nor shall it include space in the building which is devoted to its operations and maintenance, including gear rooms, storage rooms, and equipment rooms. Occupiable Building Square Footage is generally measured from "paint to paint" inside the permanent walls and to the middle of partitions separating one user's space from that of other users on the same floor.

J. "Tax Delinquency" means any Borough, County or WASD taxes, and interest and penalties thereon, which are delinquent as defined in the Real Estate Tax Sale Law (72 PS §5860.1 *et seq.*), *i.e.*, taxes, interest and penalties thereon which remain unpaid in full by December 31 of any calendar year in which the tax is levied against the property for which an exemption is claimed, or after an exemption is granted, during the term of the exemption.

K. "Taxpayer" means any natural person, firm, partnership, association, corporation, limited liability company, company, or any other organization of any kind paying property taxes on properties located in the Eligible Area identified in Section 2 of this Ordinance.

SECTION 2: ELIGIBLE AREAS.

A. Borough Council of the Borough of Waynesboro has determined and affixed the boundaries of the deteriorated area as those real properties designated and identified as the LERTA Zone on the map attached hereto and incorporated herein as Exhibit A.

SECTION 3. EXEMPTION AMOUNT.

A. The amount to be exempt from Borough real estate taxes shall be limited to that portion of the additional assessment valuation attributable to the actual cost of new construction or improvements to the deteriorated property, in accordance with the exemption schedule established by this Ordinance.

B. The exemption from Borough real estate taxes shall be limited to that improvement or new construction for which an exemption has been requested in the manner set forth in this Ordinance and for which a separate assessment has been made by the Franklin County Tax Services Department or Franklin County Board of Assessment Appeals.

C. 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.

SECTION 4. EXEMPTION SCHEDULE.

The schedule of real estate taxes to be exempted shall be in accordance with the below portion of Improvements to be exempted each year:

<u>Year</u>	<u>Percentage Exempt</u>
First	100%
Second	80%
Third	60%
Fourth	40%
Fifth	20%
Sixth	0%

A. The exemption from real property taxes shall terminate following the fifth (5th) year, and the eligible tax exemption shall not exceed a total of five (5) years.

B. The exemption from real property taxes granted under this Ordinance shall be upon the property exempted and shall not terminate upon the sale or exchange of the property.

C. In the event of reassessment by the County, the tax exemption shall be proportionally applied to any new assessment so long as the tax abatement period for the property in question has not expired. This application is to ensure that each Deteriorated Property that is granted a tax exemption receives the same percentage of tax benefits before and after any County-wide reassessment.

SECTION 5. ROLLBACK OF EXEMPTION

If an eligible property is granted a tax exemption by meeting the total occupiable building square footage requirement pursuant to this Ordinance and subsequently changes the status of the use of the property to an occupiable building square footage use that no longer satisfies such requirement, the eligible property shall be subject to rollback taxes at 6% interest per year of the exempt Assessed Valuation. The rollback tax is the difference in tax based upon the exempt Assessed Valuation under this Ordinance versus the assessed valuation if the property had not been granted a tax exemption, plus 6% simple interest on that difference per year. In addition, the property subject to the rollback shall no longer be eligible for a tax exemption.

SECTION 6. PROCEDURE FOR OBTAINING EXEMPTION.

A. At the time that a building permit is secured for the new construction or improvement for which an exemption is requested, the Taxpayer shall apply to the Franklin County Assessment Office for the tax exemption provided in this Ordinance and the corresponding Ordinances. The request for the exemption must be in writing on a form provided by the Assessment Office setting forth, at a minimum, the following information:

- (1) The name and address of the property owner;
- (2) The Franklin County Tax Parcel Identification Number of the property;
- (3) The initial assessed valuation of the property;
- (4) The current year real estate taxes on the property;
- (5) The date the building permit was issued for said new construction or improvement;
- (6) The type of new construction or improvement;
- (7) A summary of the plan of the new construction or improvement;
- (8) The anticipated date of completion;
- (9) The cost of the new construction or improvement; and
- (10) Any or all such additional information that Franklin County may require.

B. Rules and Regulations. The Assessment Office may adopt rules and regulations, as it deems appropriate, including, but not limited to establishing application requirements, compliance criteria, and other rules and regulations that are consistent with the purpose and intent of this Ordinance.

C. Along with the Taxpayer's request for exemption, the Taxpayer must also sign an agreement, in a form, established by the Assessment Office, acknowledging and agreeing that the Applicant understands and agrees that at all times during the exemption period the Applicant must abide by the terms of this Ordinance and the property shall conform to the requirements of the Ordinance in order to maintain the exemption.

D. Upon completion of the new construction or improvement, the Taxpayer shall notify the Assessment Office in writing so that the Assessment Office may assess the new construction or improvement separately for the purpose of calculating the amounts of Assessed Valuation eligible for tax exemption in accordance with the limits established by this Ordinance. Such notice must occur no later than 30 days following the issuance of all necessary occupancy permit(s) for the property. Failure to submit notice of completion within 30 days may result in the denial of the exemption for the initial tax year after completion of the improvement(s). The notice of completion shall include, at a minimum, the following information:

- (1) Name and address of the property owner;

- (2) The Franklin County Tax Parcel Identification Number of the property for which the exemption is sought;
- (3) The date that the new construction or improvement was completed;
- (4) Any modification to the plan of construction or improvement as previously submitted; and
- (5) The final, adjusted actual costs of new construction or improvement.

E. The Assessment Office will then establish the Assessed Valuation eligible for exemption and the start date for the new assessment exemption and will notify the Applicant, the County, the Borough, and the WASD. The Assessment Office may establish an interim assessment and may defer the exemption applicability until the beginning of the first full tax year following completion of the improvements.

SECTION 7. APPEALS. Appeals from the reassessment and the determination of the amounts of Assessed Valuation eligible for exemption may be filed with the Franklin County Board of Assessment Appeals.

SECTION 8. TERMINATION DATE. Unless otherwise repealed by Borough Council of the Borough of Waynesboro, this Ordinance shall expire and terminate on September 30, 2025. Nothing contained herein shall act to prohibit the Borough from enacting a similar Ordinance or extending this Ordinance. Any property tax exemption granted under the provisions of this Ordinance shall continue according to the exemption schedule found in this Ordinance even if this Ordinance expires, terminates, is amended or repealed by Borough Council of the Borough of Waynesboro.

SECTION 9. REVOCATION OF EXEMPTION. The exemption from real estate taxes provided for herein shall be forfeited by the applicant or any subsequent owner of the property for the failure to pay any nonexempt real estate taxes by the last day of the time period to pay such taxes in the penalty period. Upon receipt of a notice of nonpayment of nonexempt real estate taxes, the exemption shall be discontinued.

SECTION 10. SEVERABILITY. The provisions of this Ordinance are severable, and if any section, clause, part or provision hereof shall be held to be illegal, invalid or unconstitutional by any court of competent jurisdiction, such decision of the court shall not affect or impair the remaining sections, sentences, clauses, parts or provisions of this Ordinance. It is hereby declared to be the intent of the Borough of Waynesboro that this Ordinance would have been enacted if such illegal, invalid or unconstitutional section, sentence, clause, part or provision had not been included herein.

SECTION 11: REPEALER. All ordinances, or parts of ordinances, conflicting with this

Ordinance shall be and the same are hereby repealed insofar as the same affect this Ordinance.

SECTION 12: CONTINGENCY. This Ordinance is contingent upon the enactment or adoption of ordinances or resolutions by both the School District and the County which apply to the subject matter of this Ordinance.

SECTION 13: EFFECTIVE DATE. This Ordinance shall take effect after enactment and upon the satisfaction of the conditions set forth in Section 12 of this Ordinance.

ENACTED AND ORDAINED this 17th day of January, 2024.

ATTEST:

BOROUGH COUNCIL OF
THE BOROUGH OF WAYNESBORO

Quinn Pratt
Secretary

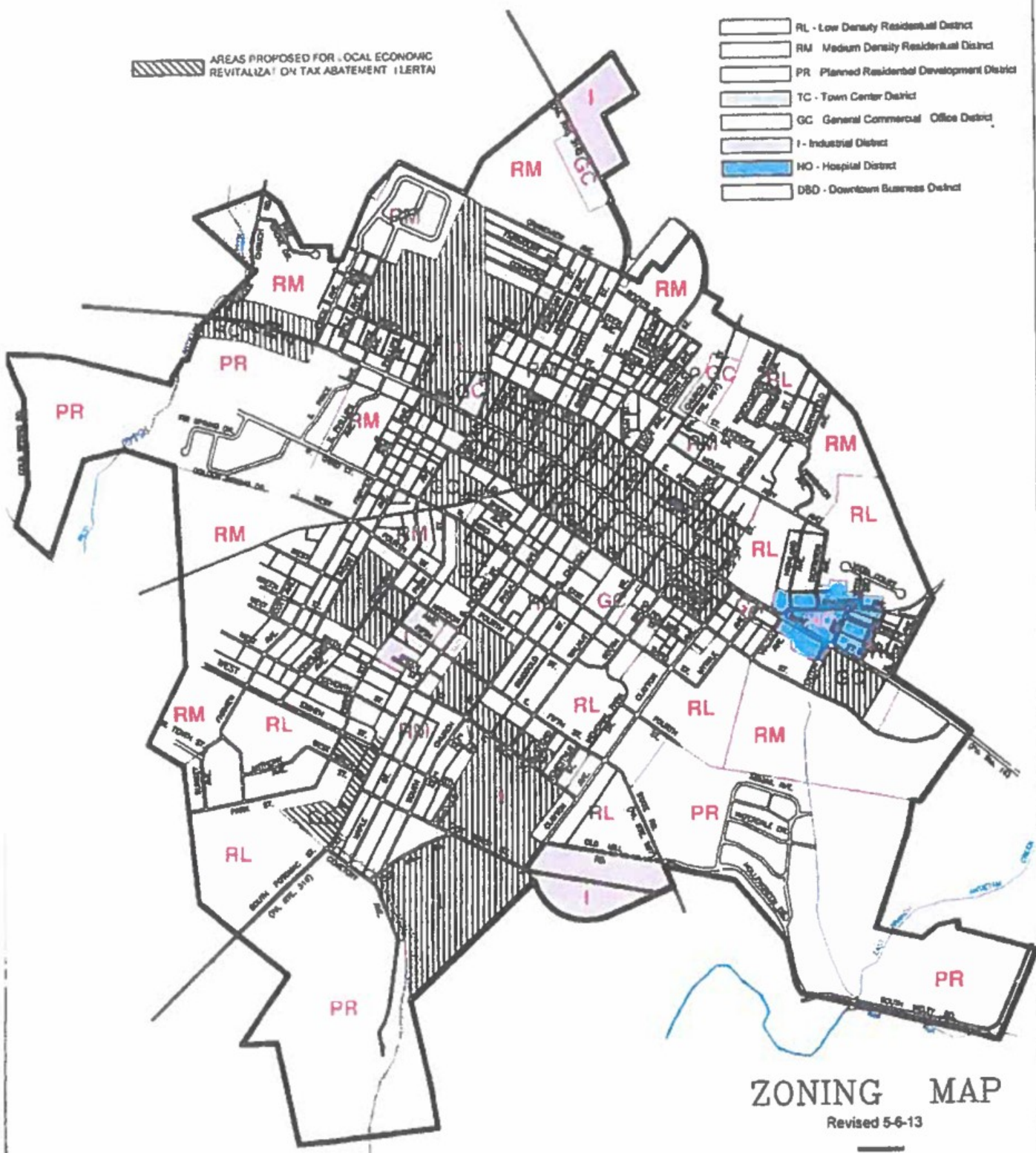
By: *Cheryl Dammann*
Borough Council President

By: *Rachel A. Stouffer*
Mayor of the Borough of Waynesboro



AREAS PROPOSED FOR LOCAL ECONOMIC REVITALIZATION TAX ABATEMENT (LERTA)

- RL - Low Density Residential District
- RM - Medium Density Residential District
- PR - Planned Residential Development District
- TC - Town Center District
- GC - General Commercial Office District
- I - Industrial District
- HO - Hospital District
- DBD - Downtown Business District



ZONING MAP

Revised 5-6-13

NOTE: This map unofficial. Official map kept in the office of the Director of Engineering.