

BOROUGH OF DERRY

WESTMORELAND COUNTY, PENNSYLVANIA

ORDINANCE NO. 805

AN ORDINANCE AUTHORIZING TAX EXEMPTIONS FROM PROPERTY TAX FOR CERTAIN DETERIORATED INDUSTRIAL, COMMERCIAL, AND OTHER BUSINESS PROPERTY, AND FOR PROVIDING A PROCEDURE FOR IMPLEMENTATION OF SUCH EXEMPTION

WHEREAS, the Derry Borough Council recognizes the need to encourage the rehabilitation of industrial, commercial, or other business property located within the geographic and political boundaries of the Borough of Derry, Westmoreland County, Pennsylvania; and

WHEREAS, the Local Economic Revitalization Tax Assistance Act, Act of 76 of December 1, 1977 (72P.S. 4722 et seq.) hereinafter referred to as the "Act", authorizing local taxing authorities to exempt improvement to certain deteriorated industrial, commercial, or other business property; and

WHEREAS, enactment of such exemption will result in improving the quality and appearance of deteriorated areas in the Borough of Derry of Westmoreland County, Pennsylvania by stimulating existing business employment conditions as well as creating new work positions; and

WHEREAS, the enactment of such exemption will also result in improving the conditions and size of the labor force in the Borough of Derry, Westmoreland County, Pennsylvania by stimulating existing business employment conditions as well as creating new work positions; and

WHEREAS, it is expected that increased employment opportunities in the form of construction jobs, and new or expanded full time positions will result directly because of the improvement of the deteriorated properties within the three (3) years of exemptions herein after provided.

NOW, THEREFORE, be it ORDAINED and ENACTED by the Borough of Derry, Westmoreland County, Pennsylvania, and it is hereby ordained and enacted as follows:

1. As used in this Ordinance, the following words and phrases have the meaning set forth below:

a. "Deteriorated property" means any industrial, commercial, or business property owned by an individual, association, or corporation, located in a deteriorating area or any such property which has been the subject of an order by the Borough of Derry, Westmoreland County, Pennsylvania or other government agency requiring the unit to be vacated, condemned or demolished by means of noncompliance with laws, ordinances or regulations.

b. "Improvement" means repair, construction or reconstruction, including alterations or 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. Ordinance upkeep and maintenance shall not be deemed an improvement.

c. "Local Taxing Authority" means the Borough of Derry, Westmoreland County, Pennsylvania

d. "Local Governing body" means the Borough of Derry, Westmoreland County, Pennsylvania

2. There is hereby exempt from real estate property taxation the assessed value of improvements to deteriorated industrial, commercial or other business property in the amounts and in accordance with the provisions and limitations within the boundaries of a deteriorated area or areas as determined by the Borough of Derry, Westmoreland County, Pennsylvania in accordance with the Act.

3. The exemption from taxes created hereunder shall be limited to the additional assessment valuation attributable to one hundred percent (100%) of the eligible assessment for the first year; for the second year, eighty percent (80%) of the eligible assessment shall be exempted; for the third year, sixty percent (60%) of the eligible assessment shall be exempted; after the third year, the exemption shall terminate.

4. The procedure for obtaining exemption under this Ordinance shall be in accordance with 72 P.S. §4727(a). In addition, any person, association or corporation applying for tax exemption pursuant to this Ordinance, shall supply the Borough of Derry's Zoning Officer with a statement projecting the number of new jobs created or existing jobs retained as a result of the repair, construction, or reconstruction of the deteriorated property.

5. The provisions of Act No. 76 of the General Assembly of the General Assembly of the Commonwealth of Pennsylvania, not herein enumerated, shall, nevertheless, be incorporated as part of this Ordinance by reference. If any sentence, clause, of sections or parts of this Ordinance is, for any reason, found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall not affect or impair any of the remaining provisions, sentences, clauses or sections, or parts of this Ordinance. It is hereby declared as the intent of the Borough of Derry, Westmoreland County, Pennsylvania that this Ordinance would have been adopted had such unconstitutional, illegal or invalid sentence, clause, section or any part thereof had not been included herein.

6. There shall be placed on the form application for the building and alterations permits the following notice:

*NOTICE TO TAXPAYERS*

*Under the provisions of Borough of Derry Ordinance No. 786, you may be entitled to a property tax exemption on your contemplated alteration or new construction. An application for exemption must be secured from the Zoning Officer and must be filed with the Borough of Derry at the time building or alteration permit is secured.*

7. The request for exemption must set forth the following information:

- a. The date the building permit or alteration permit was issued for said improvements.
- b. The type of improvement.

- c. The summary of the plan of improvement.
- d. The cost of the improvement(s).
- e. Any of all such additional information required.
- f. The anticipated number of new employees that will result from the improvement if applicable.
- g. A summary of the anticipated financial impact to the Borough of Derry.

8. The Thirty Six (36) month period for tax exemption shall commence during the month when the Westmoreland County Board of Assessment Appeals places an improvement on the tax role.

9. No improvement shall be exempt from real estate taxation unless the owner of the subject real estate shall have first acquired a zoning and building permit and submitted a completed application for exemption on a form available from the Borough Secretary of the Borough of Derry.

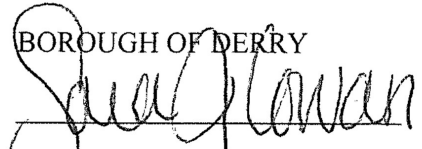
10. This ordinance shall be effective for all applications for exemption properly completed and filed with the Borough Secretary of the Borough of Derry and the Tax Collector of the Borough of Derry effective January 1, 2023 through December 31, 2024, and any improvement completed pursuant to a timely filed application for exemption shall be exempt from real estate taxation for the full period of Thirty Six (36) months even though the improvement may not be completed prior to December 31, 2024 or the Thirty Six (36) month period may extend beyond December 31, 2024.

11. The exemption from taxes hereunder shall be forfeited by the applicant and/or subsequent owner of the real estate for failure to pay nonexempt real estate taxes by their due date, i.e. the last date upon which taxes may be paid without penalty. Upon receipt of notice of nonpayment on nonexempt real estate taxes, the Borough's designated Tax Collector shall communicate with the Borough of Derry and the secretary shall direct County Tax Assessment Office to discontinue the exemption provided for hereunder.

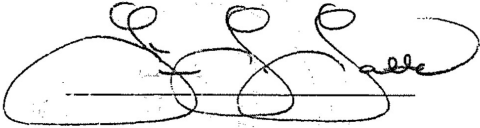
12. If an eligible property is granted tax exemption pursuant to this Ordinance, the Improvement shall not, during the exemption period, be considered a factor in assessing other properties.

13. This Ordinance and the exemptions granted herein, shall not be available to properties which are, according to the Borough of Derry's Council non conforming uses.

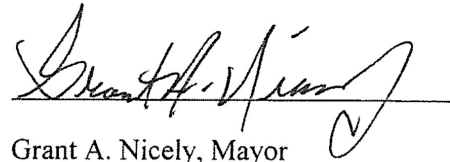
ORDAINED AND ENACTED THIS 10th of October, 2023

BOROUGH OF DERRY  
  
President of Derry Borough Council

ATTEST:

  
Lori Latta, Secretary

Approved this 11<sup>th</sup> of October 2023.

  
Grant A. Nicely, Mayor