

**BOROUGH OF INDIANA
INDIANA COUNTY, PENNSYLVANIA**

ORDINANCE NO. 2022-01

AN ORDINANCE OF THE BOROUGH OF INDIANA, INDIANA COUNTY, PENNSYLVANIA, AMENDING AND MODIFYING THE CODE OF ORDINANCES, SPECIFICALLY CHAPTER 414, BY REVISING ARTICLE II, AND REPLACING IT WITH “LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE PROGRAM” AND PROVIDING FOR A SCHEDULE OF TAX ABATEMENT, ESTABLISHING STANDARDS AND QUALIFICATIONS FOR THE TAX EXEMPTIONS, AND ESTABLISHING PROCEDURES FOR OBTAINING SUCH EXEMPTIONS PURSUANT TO THE PROVISIONS OF THE IMPROVEMENT OF DETERIORATING REAL PROPERTY OR AREAS TAX EXEMPTION ACT (ACT OF JULY 9, 1971, P.L. 206, NO. 34, AS AMENDED BY ACT OF AUGUST 5, 1977, P.L. 167, NO. 42, Pa.Stat.Ann.tit. 72, § 4711-101 *et seq.*).

RECITAL:

WHEREAS, Act No. 42 of 1977 amended Act No. 34 of 1971 to authorize the exemption from tax of New Residential and New Commercial and New Industrial Construction or Real Property Improvements in qualified and approved areas within by the Commonwealth of Pennsylvania; and

WHEREAS, the Borough of Indiana (the “municipality”) is geographically located within Indiana County and the Indiana Area School District; and

WHEREAS, the Borough Council desires to establish a procedural and policy framework that provides tax relief for New Residential, New Commercial, and New Industrial Construction or Improvements of these real properties which encourage capital improvements to real property through a temporary tax exemption schedule pursuant to the Improvement of deteriorating Real Property or Areas Tax Exemption Act, as amended, Pa. Stat. Ann. Tit. 72, § 4711-101 *et seq.* (“Deteriorating Real Property or Areas Tax Exemption Act”) under the condition that New Construction or Improvements meet the requirements of the Ordinance; and

WHEREAS, this is an Ordinance intended to grant tax relief throughout the Borough of Indiana, with the goal of encouraging economic redevelopment and long-term investment, which intends to improve the sustainability of tax revenue in coming decades, which intends to attract new business investments, which intends to encourage residential housing improvements, and generally foster the wellbeing and prosperity of the Borough of Indiana, Pennsylvania.

WHEREAS, public notice of consideration of this Ordinance was made by publication one time in a newspaper of general circulation within the Borough on March 15, 2022 as well as posting on the Borough Website, and will be considered by Borough Council as advertised at a public meeting on March 25, 2022; and

WHEREAS, the Borough demonstrates additions and deletions to the Code by ~~striking~~ out deleted text and underlining added text.

NOW, THEREFORE, be it ordained and enacted by Borough Council, and it is hereby enacted by the authority of the same that Chapter 414 is amended as follows:

Section 1: Incorporation by Reference. The above recitals and all referenced documents are incorporated herein by reference as if fully set forth herein.

Section 2: Chapter 414 Article II “Tax Abatement for Improvements to Commercial, Industrial and Business Properties”, Shall be replaced by the Ordinance “Borough of Indiana Local Economic Revitalization and Tax Assistance Program”, incorporated herein as if fully set forth.

Section 3: Chapter 414, “Borough of Indiana Local Economic Revitalization and Tax Assistance Program” is the policy of the Borough of Indiana to encourage new development, redevelopment and a revitalization of the real properties located within the Borough of Indiana, improving and contributing to local and regional economic redevelopment.

Section 4: Definitions.

Assessed Valuation – The assessment on real property by Indiana County Assessor upon which real estate taxes are collected.

Improvement(s) – Repair, construction, or reconstruction, including alterations and additions increasing the property valuation. Improvement(s) to real property must amount to more than \$20,000 of construction expense. Ordinary maintenance and upkeep are not considered Improvements.

Municipality – The Borough of Indiana, Pennsylvania

New Construction - building or improvement of a structure located within the Borough of Indiana after the LERTA Application Permit has been approved

School District – Indiana Area School District

Section 5: Exemption and limitations. In accordance with this Ordinance, the assessed valuation of New Construction or Improvements may be exempted from property taxation in accordance with the provisions and limitation described in this section.

- a. The exemption from real property taxation shall be limited to that portion of the assessment which is directly attributed to the cost of the New Construction or Improvements after completion and approval of a “LERTA Permit Application”.
- b. After the effective date of this Ordinance, if a structure benefiting from this tax exemption is damaged, destroyed or demolished under any circumstance, then the assessed value of the property shall be reduced as a result of that damage and any exemption from real property taxation shall be abated and proportioned relative to the percentage of damage, destruction or demolition.
- c. Tax exemption schedule shall apply immediately following the tax year in which the eligible New Construction or Improvements have been completed.
- d. The New Construction or Improvements to Properties granted tax exemption under this LERTA shall not be a factor when establishing assessment values for other properties or for a qualified property at the time of sale.
- e. The actual cost of the New Construction or Improvements to qualify for exemption must be in excess of \$20,000.
- f. The exemption from local real estate taxes provided for herein shall be forfeited by the taxpayer and/or any subsequent owner of the real estate for the failure to pay any nonexempt real estate taxes by the last day of the time period to pay such taxes without penalty. Upon receipt of the notice of nonpayment of nonexempt real estate taxes, the Borough shall discontinue the LERTA exemption.

Section 6: Exemption Schedule for residential, commercial and industrial real property improvements;

First year:	100%
Second year:	100%
Third year:	100%

Fourth year:	100%
Fifth year:	100%
Sixth year:	100%
Seventh year:	100%

Tax deferment terminates after the 7th year

Section 7: Procedure of obtaining exemption. Property owners desiring tax exemption shall obtain a "LERTA Permit Application" from the Borough of Indiana Code Enforcement Department or Zoning Department and shall submit said permit when securing a zoning or construction permit before commencing with construction. Copies of this LERTA Permit Application shall be provided to all taxing bodies (Borough of Indiana, Indiana County, Indiana Area School District). The application shall document current assessed property valuation, proposed property valuation, anticipated start date of construction, anticipated completion date of construction and a verification that the property is eligible for tax exemption. Any subsequent amendment to this ordinance shall not impact those exemption requests filed prior to the enactment of said amendment.

Section 8: Exclusions. The Local Economic Revitalization Tax Assistance Ordinance shall not apply where the property owner fails to obtain the necessary permits prior to construction; does not comply with the minimum standards of the laws, resolutions, and regulations of the Borough of Indiana, Indiana Area School District, or Indiana County; does not use the property according to the lawful Ordinances, regulations and codes of the Borough of Indiana; or the property owner does not comply with the provisions of this Ordinance as adopted.

Section 9: Repeal. All ordinances, or parts thereof, that are in conflict or inconsistent with any provision of this Ordinance, are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters regulated, herein.

Section 10: Savings and Severability. The provisions of this Ordinance shall be deemed severable and the invalidity or unenforceability of any one provision, part, or clause thereof shall not affect the validity or enforceability of the other provisions, parts or clauses hereof. If any provision or clause of this Agreement, or portion thereof, shall be held by any court or other tribunal of competent jurisdiction to be illegal, void, or unenforceable in such jurisdiction, the remainder of such provision shall not be thereby affected and shall be given full effect, without regard to the invalid portion.

Section 11: Incorporation Into the Code of Ordinances. By this Ordinance all provisions adopted herein shall be incorporated into the Borough of Indiana Code of Ordinances by incorporating the adopted text, revising any index, appendix or table of contents, alphabetizing

and numbering each section in accordance and consistent with the construction and format of the codification of ordinances.

Section 12. Effective Date. This Ordinance shall become effective April 5, 2022

Duly presented and adopted at a regular meeting of the Indiana Borough Council, Indiana County, Pennsylvania, held on the 5 day of April 2022.

ATTEST

Indiana Borough




Borough Manager



Peter Broad
Council President

This Ordinance is approved this 5 day of April, 2022


William Simmons
Mayor, Indiana Borough

I hereby certify that the foregoing ordinance was fully enacted and approved as set forth at the meeting of Council held on April 5, 2022, and before approval, was advertised in the Indiana Gazette, a newspaper of general circulation in the municipality of Indiana Borough on March 25, 2022.