

ORDINANCE 2020- 89

LERTA ORDINANCE ESTABLISHING TAX EXEMPTIONS FROM PROPERTY TAX FOR CERTAIN DETERIORATED PROPERTIES; DEFINING ELIGIBLE DETERIORATED AREAS, SETTING A MAXIMUM EXEMPTION AMOUNT, AND 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 deteriorated properties; and,

**WHEREAS**, there exist numerous deteriorated properties within the City of Shamokin; and

**WHEREAS**, on December 2, 2020, the Council of the City of Shamokin (“Council”), in accordance with LERTA, held a public hearing to determine the boundaries of said deteriorated areas and to establish the LERTA provisions, which hearing was duly advertised; and,

**WHEREAS**, at this public hearing, agencies and individuals were given the opportunity to present to the Council their recommendations concerning the location of the boundaries of deteriorated areas and their advocacy for implementation of the LERTA Program.

**NOW, THEREFORE, BE IT ORDAINED**, by Council, that:

**I. DEFINITIONS**

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

(a) “Deteriorated Property” means any property owned by an individual(s), corporation, limited liability company, or partnership and located in a “Deteriorated Area”, as provided by Resolution of the Council of the City of Shamokin or any such property which has been the subject of an order by the City of Shamokin or agency thereof requiring the unit to be vacated, condemned or demolished by reason 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. Ordinary upkeep and maintenance shall not be deemed an Improvement.

(c) "Local Taxing Authority" means City of Shamokin, Shamokin Area School District, and County of Northumberland or any other governmental entity having the authority to levy real property taxes within the City of Shamokin

(d) "Local Governing Body" means City of Shamokin.

(e) "Deteriorated Area" means an area, the boundaries of which are determined by a Local Taxing Authority, in which Improvements to deteriorated properties are eligible for tax exemption. The Deteriorated Area, as determined by Resolution of the City of Shamokin, following a hearing held on December 2, 2020, includes all properties and all area located within the boundaries of the City of Shamokin.

(f) "Property Owner" means the owner of the Deteriorated Property.

## **II. EXEMPTION AREA**

All properties located within the municipal boundaries of the City of Shamokin shall be eligible to participate in this LERTA program, provided they meet the prerequisites 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 Deteriorated Property.

(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 Northumberland County Board of Assessment Appeals. Tax exemption shall only be granted if the property, as completed, complies with the various ordinances and codes of the City of Shamokin.

## **IV. EXEMPTION SCHEDULE**

(a) For the first year immediately following the date upon which the Improvement becomes assessable through the third 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 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.

(c) 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.

(d) 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.

(e) 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.

(f) For the eighth year immediately following the date upon which the Improvement becomes assessable, thirty (30%) of the assessed valuation of the eligible Improvement shall be exempted.

(g) 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.

(h) 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.

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

(j) 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) Under the provisions of this Ordinance, a property may be entitled to a property tax exemption upon the contemplated Improvement. An application for exemption may be secured from the City of Shamokin at Shamokin City Hall, 47 East Lincoln Street, Shamokin, Pennsylvania, and must be filed with the City of Shamokin at the same address 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 of the Improvement 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 City of Shamokin at the above address for the exemption provided for in this Ordinance.

(c) Request for the exemption shall be in writing and set forth all of the following information:

- (1) The date the building permit or alteration permit was issued for the improvement(s).
- (2) Location of the property to be improved.
- (3) Nature of the property to be improved.
- (4) Type of improvement.
- (5) Summary of the plan of the improvement.
- (6) Cost of the improvement.
- (7) Any and all additional information the City of Shamokin may require.

## **VI. MINIMUM MANDATE**

The mandate for eligibility for this program shall be the submission of a building or alteration permit estimating the cost of the improvements or construction at not less than fifty thousand (\$50,000) dollars, if one is required, or a LERTA application estimating the cost of the improvements or construction at not less than fifty thousand (\$50,000) dollars and, the ultimate increase in assessed value of the subject property by an amount equal to or greater than fifty thousand (\$50,000) dollars multiplied by the then common level ratio.

## **VII. PROCEDURE FOR OBTAINING EXEMPTION**

A copy of the application for exemption shall be forwarded to the Northumberland County Board of Assessment Appeals by the City of Shamokin. Upon completion of the improvement(s) or new construction, the taxpayer shall notify the City and the Northumberland County Tax Assessor, so that the Assessor can assess the improvements separately for the purpose of calculating the amount of assessment eligible for tax exemption in accordance with the limits set forth in this Ordinance. The City of Shamokin will then obtain from the Assessor the amount of the assessment eligible for exemption, and will notify the taxpayer of such amount. Appeals from the assessments and the amount eligible for the exemption may be taken by the taxpayer or the City of Shamokin as provided by law, except that following the initial assessment, the applicant waives the right to appeal the assessment for the term of the program or exemption, whichever is longer.

## **VIII. REVOCATION OF LERTA EXEMPTION**

The exemption from real estate taxes provided for herein shall be forfeited by the Property Owner for the following reasons:

- (a) Failure of the Property Owner, or any entity for which the Property Owner is a majority owner, majority shareholder, majority member or partner, to pay any real estate taxes for

any non-exempt real property owned by the Property Owner or any entity for which the Property Owner is a majority owner, majority shareholder, or partner, located in the City of Shamokin on or before the last day of the time period to pay such taxes in the penalty period. Upon receipt of the notice of non-payment of any such non-exempt real estate taxes, the Assessor for the County of Northumberland shall discontinue the subject property's LERTA exemption.

- (b) The failure of the Property Owner, or any entity for which the Property Owner is a majority owner, majority shareholder, majority member or partner, to correct any code or zoning violations issued by the City of Shamokin and the exhaustion of any appeals period to challenge any said violations.

## **IX. CONFLICT / SEVERABILITY**

Any ordinance, statute, law, regulation, code or part thereof, of the City of Shamokin, which conflicts with the provisions of this Ordinance is/are hereby repealed. The provisions of this Ordinance are severable and if any of its sections, clauses, sentences or provisions are held to be illegal, invalid, or unconstitutional, such provisions shall not affect or impair any of the remaining sections, clauses or provisions.

## **X. TERMINATION**

Unless otherwise repealed by Shamokin City Council, this Ordinance shall terminate on December 31, 2070. Nothing contained herein shall prohibit Shamokin City Council from enacting a similar ordinance, amending or extending this Ordinance. Any property tax exemptions granted under the provisions of this Ordinance shall be permitted to continue according to the exemption schedule even if this Ordinance expires or is repealed.

## **XI. RULES AND REGULATIONS**

Council is hereby authorized and empowered to prepare, promulgate, and enforce any and all 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 Council.

## **XII. CONTINGENCY**

Notwithstanding other provisions of this Ordinance, this Ordinance shall remain in full force and effect conditioned upon the Board of Directors of the Shamokin Area School District and the Commissioners of the County of Northumberland enacting similar Resolutions or Ordinances

with identical Deteriorated Areas as those designated by the City of Shamokin with an effective date beginning January 1, 2021.

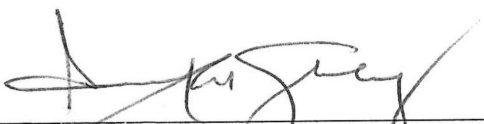
**XIII. EFFECTIVE DATE**

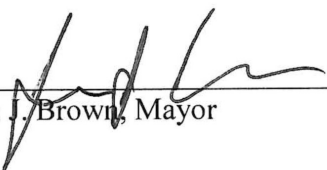
This Ordinance shall become effective on January 1, 2021.

**ORDAINED AND ENACTED** by Council this 14<sup>th</sup> day of December, 2020.

**ATTEST:**

**CITY OF SHAMOKIN**

  
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Robert M. Slaby, City Administrator

  
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John J. Brown, Mayor