

ORDINANCE NO. 3 of 2019

AN ORDINANCE OF THE BOROUGH OF TIDIOUTE, WARREN COUNTY PENNSYLVANIA, ENTITLED THE “BOROUGH OF TIDIOUTE TAX RELIEF AND REDEVELOPMENT ACT”; GRANTING REAL ESTATE TAX RELIEF FOR PROPERTIES IN DETERIORATED AREAS/NEIGHBORHOODS PURSUANT TO 72 P.S. § 4711-01, ET SEQ. AND 72 P.S. § 4722. ET SEQ., AND ITS VARIOUS AMENDMENTS, AND PROVIDING FOR REAL ESTATE TAX ABATEMENT FOR COMMERCIAL, BUSINESS AND INDUSTRIAL PROPERTIES AND FOR REAL ESTATE TAX ABATEMENT FOR RESIDENTIAL CONSTRUCTION AND IMPROVEMENTS WITHIN TIDIOUTE BOROUGH

WHEREAS, the Commonwealth of Pennsylvania adopted an Act known as the “Improvement of Deteriorating Real Property or Areas Tax Exemption Act”, 72 P.S. § 4711-01, *et seq.*, as amended, authorizing local taxing authorities to exempt the increased assessed valuation of the actual cost of new construction or improvements on deteriorated residential property from for a term not to exceed ten years; and

WHEREAS, the Commonwealth of Pennsylvania adopted an Act known as the “Local Economic Revitalization Tax Assistance Act,” 72 P.S. § 4722, *et seq.*, as amended, authorizing local taxing authorities to exempt the increased assessed valuation of the actual cost of new construction in deteriorated areas of economically depressed communities and improvements to certain deteriorated industrial, commercial, and other business property, not to exceed ten years; and

WHEREAS, the Borough Council of the Borough of Tidioute finds that the creation of certain tax exemptions authorized by the Improvement of Deteriorating Real Property or Areas Tax Exemption Act and the Local Economic Revitalization Tax Assistance Act, will have a positive impact upon the development and redevelopment within the Borough of Tidioute; and

WHEREAS, the Borough Council of the Borough of Tidioute, after a public hearing held on Tuesday, July 9th, 2019 for the purpose of affixing boundaries of deteriorated areas located within the Borough has determined that the entire area within the jurisdiction of Borough of Tidioute, Warren County, Pennsylvania, is determined to be deteriorated as determined by 72 P.S. §4725 and 72 P.S. §4711-202; and

WHEREAS, the Borough Council of the Borough of Tidioute declares that it is in the best interest of the Borough to adopt a Tax Abatement Ordinance providing for certain tax exemptions for the construction and or improvements of deteriorated residential, industrial, commercial, and other business properties within the jurisdiction of the Borough of Tidioute, Warren County, Pennsylvania.

NOW, THEREFORE, IT IS HEREBY ENACTED AND ORDAINED by the Borough Council of the Borough of Tidioute of the County of Warren, Pennsylvania the following:

SECTION ONE. TITLE

This Ordinance shall be known as the “Borough of Tidioute Tax Relief and Redevelopment Act.”

SECTION TWO. DEFINITIONS

- (a) "Borough" means the Borough of Tidioute, Warren County, Pennsylvania.
- (b) "Deteriorated Property Non-Residential" means any industrial, commercial, or other business property owned by an individual, association or corporation, and located in an Investment Opportunity Area, or any such property within the Borough 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.
- (c) "Deteriorated Property Residential" means a Dwelling Unit located in an Investment Opportunity Area, as herein after defined, or a Dwelling Unit which has been or upon request is certified by a health, housing, or building inspection agency as unfit for human habitation for rent withholding, or other health or welfare purposes, or has been the subject of an order by such an agency requiring the unit to be vacated, condemned, or demolished by reason of noncompliance with laws, ordinances, and regulations.
- (d) "Dwelling Unit" means a house, double house, or duplex, townhouse, or row house, apartment, condominium, or any building designed or used as a permanent or temporary living quarters for human habitation by an individual, a family, or families, or other persons which contain a kitchen or cooking equipment for the exclusive use of the occupant or occupants, and may contain a residential garage if included as an integral part of the same building.
- (e) "Investment Opportunity Area" means any area within the boundaries of the Borough of Tidioute, Pennsylvania and shall be considered the boundary of a deteriorated neighborhood for the purposes of the "Improvement of Deteriorating Real Property or Areas Tax Exemption Act", 72 P.S. § 4711-01, *et seq.* and the "Local Economic Revitalization Tax Assistance Act," 72 P.S. § 4722, *et seq.*
- (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) "Non-Residential Construction" means the building or erection of structures other than Dwelling Units upon vacant land or land specifically prepared to receive such structures.
- (h) "Real Property Tax or Taxation" means the taxes on real property levied by the Borough of Tidioute, the Warren County School District, and the County of Warren.
- (i) "Residential Construction" means the building or erection of Dwelling Units upon vacant land or land specifically prepared to receive such structures.

SECTION THREE. EXEMPTION

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- (a) There is hereby exempted from real property taxation the increased assessed valuation of the actual cost of New Construction or Improvements, the increase of which is directly attributable to:
 - 1. Improvements to Deteriorated Property Residential;
 - 2. Improvements to Deteriorated Property Non-Residential;
 - 3. New Residential Construction;
 - 4. New Non-Residential Construction.
 - (b) The exemption authorized by subsection (a)(1), (a)(2), (a)(3), and (a)(4) of this section three shall be in the amounts, and in accordance with, the provisions and limitations herein provided.

SECTION FOUR: EXEMPTION LIMITATIONS

- (a) The exemption from real property taxation under this Ordinance shall be limited to that portion of the increased assessment directly attributed to the actual cost of eligible New Construction or Improvements provided herein.
- (b) The date of Improvement shall be the date of issuance of the building permit, improvement record, or other required notification of construction.
- (c) In all cases the exemption from taxes shall be limited to that portion of the additional assessment attributable to the actual cost of the Improvement or New Construction, as the case may be, and for which a separate assessment has been made by the County Board of Assessment Appeals and for which an exemption has been separately requested. No tax exemption shall be granted if the property owner does not secure the necessary and proper permits prior to making an Improvement of, or new Construction on, the property. No tax exemption shall be granted if the property, as completed does not comply with the minimum standards of the applicable regulations and codes as adopted by the Pennsylvania Uniform Construction Code Act, 35 P.S. §§7210.1010 *et seq.*, as amended.
- (d) In any case, after the effective date of this Ordinance, where Deteriorated Property Non-Residential or Deteriorated Property Residential is damaged, destroyed, or demolished by any cause or for any reason, and the assessed valuation of the property affected has been reduced as a result of said damage, destruction, or demolition, the exemption from real property taxation authorized by the Ordinance shall be limited to that portion of new assessment attributable to the actual cost of Improvement or Construction that is in excess of the original assessment that existed prior to the damage, destruction or demolition of the property.

SECTION FIVE. EXEMPTION SCHEDULE.

- (a) The Real Property Tax exemption for Improvements to Deteriorated Property Residential and Deteriorated Property Non-Residential located within the jurisdiction of the Borough shall be in accordance with the following schedule:

<u>Year of Abatement</u>	<u>Exemption Percentage</u>
1 st Year	100%
2 nd Year	100%
3 rd Year	100%
4 th Year	100%
5 th Year	100%

After the 5th Year the exemption shall terminate.

- (b) The Real Property Tax exemption for New Construction Non-Residential and New Construction Residential, located within the jurisdiction of the Borough shall be in accordance with the following schedule:

<u>Year of Abatement</u>	<u>Exemption Percentage</u>
1 st Year	100%
2 nd Year	100%
3 rd Year	100%
4 th Year	100%
5 th Year	100%

After the 5th Year the exemption shall terminate.

SECTION SIX. DETERIORATED AREA BOUNDARY DESCRIPTION

The areas wherein Real Property Tax Abatement is available is for improvements to Deteriorated Property Residential and Deteriorated Property Non-Residential and for New Residential Construction and New Non-Residential Construction shall consist of the entire area within the jurisdiction of the Borough.

SECTION SEVEN. SUNSET PROVISIONS

The provisions of this Ordinance shall expire on December 31, 2028, unless extended by ordinance duly adopted. Any applicant for tax abatement must have a building permit to be eligible for tax abatement treatment hereunder, with that permit having been issued on, or before, the 31st day of December 2028.

SECTION EIGHT. MISCELLANEOUS PROVISIONS

- (a) 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.
- (b) The exemption from Real Property Taxes hereunder shall be forfeited by the applicant and/or the 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 of nonexempt real estate taxes, the Borough's Administration shall direct the County Assessment Officer to discontinue the exemption provided for hereunder.

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

SECTION NINE. PROCEDURE FOR OBTAINING EXEMPTION

- (a) Any person desiring tax exemption pursuant to this Ordinance should apply to the Borough of Tidioute at the time that a building permit is secured for construction of the Improvement or New Construction, as the case may be, or at the time of the commencement of construction if no building permit or other notification of Improvement or New Construction is required. The application must be in writing upon forms specified by the Borough setting forth the following information:

1. The date the Building Permit was issued for said Improvement or new construction;
2. The location of the property to be Improved or Constructed;
3. The type of Improvement or Construction (commercial, mixed use, or residential);
4. The summary of the plan of Improvement or Construction;
5. The estimated cost of the Improvement or Construction;
6. Whether the property has been condemned by any governmental body for non-compliance with laws or ordinances;
7. Verification that the property has received a proper Zoning Permit;
8. Such additional information as the Borough may require.

- (b) There shall be on the application form for a building permit the following notice:

“Notice to Taxpayer. By Ordinance No. [REDACTED] of 2019, you may be entitled to exemption from tax on your contemplated improvement or new construction by reassessment. An application for exemption may be secured from the Borough Secretary of the Borough of Tidioute and must be filed at the time the building permit is secured.”

- (c) A copy of the exemption request shall be forwarded to the County Board of Assessment Appeals by the Borough Secretary. The Board shall determine whether the exemption shall be granted and shall, upon completion of the Improvement or new construction, and notification from the Borough's designated Building Code Official that the Improvement or new construction complies with all applicable Building Codes, assess separately the Improvement or new construction and calculate the amounts of the assessment eligible for tax exemption in accordance with the limits established by this Ordinance and notify the taxpayer and the local taxing authorities of the reassessment and amounts of the assessment eligible for exemption. In the case of New Residential Construction, the Board shall assess separately the Dwelling Unit and the land upon which the New Residential Construction stands and shall

otherwise perform its duties as above provided for construction or Improvement to residential, mixed use, and commercial properties.

- (d) The cost of Improvement or new construction of Non-Residential Properties or costs of Improvement or New Construction of Residential Properties, as the case may be, to be exempted and the schedule of taxes exempted existing at the time of the initial request for tax exemption shall be applicable to that exemption request, and the subsequent amendment to this Ordinance, of any, shall not apply to request initiated prior to their adoption.

SECTION TEN. EXCLUDED PROPERTIES

This Ordinance and the exemptions granted herein shall not be available to properties which are, according to the Borough Council, non-conforming uses.

SECTION ELEVEN. EFFECTIVE DATE

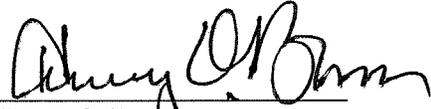
The effective date of this Ordinance shall be five days from the date of final passage of related Ordinances or Resolutions by the Warren County School District and County of Warren.

SECTION TWELVE. REPEALER

All ordinances or parts thereof conflicting herewith, are hereby repealed.

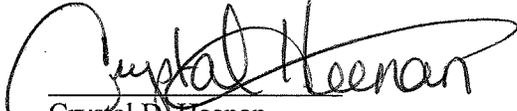
ORDAINED and ENACTED this 12th day of AUGUST 2019.

BOROUGH OF TIDIOUTE



Henry O. Brown,
President of Council

ATTEST:



Crystal D. Heenan,
Office Manager, Secretary



Pamela S. McLaughlin
Mayor

SEAL