CITY OF JEANNETTE WESTMORELAND COUNTY, PENNSYLVANIA

ORDINANCE NO. 2022- 04

AN ORDINANCE OF THE CITY OF JEANNETTE, WESTMORELAND COUNTY, PENNSYLVANIA, UNDER THE LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE (LERTA) ACT, ESTABLISHING TAX EXEMPTIONS FROM PROPERTY TAX FOR CERTAIN DETERIORATED INDUSTRIAL, COMMERCIAL, OR OTHER BUSINESS PROPERTY; DEFINING ELIGIBLE DETERIORATED AREAS; SETTING A MAXIMUM EXEMPTION AMOUNT AND AN EXEMPTION SCHEDULE; PROVIDING NOTICE TO TAXPAYERS AND A PROCEDURE FOR OBTAINING AN EXEMPTION; AND PROVIDING AN EFFECTIVE DATE.

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 (LERTA) Act which authorizes local taxing authorities to provide for tax exemption for certain deteriorated industrial, commercial, and other business properties; and

WHEREAS, there are deteriorated industrial and commercial properties within the geographical confines of the City of Jeannette; and

WHEREAS, the City Council of the City of Jeannette in accordance with said Act held a public hearing on April 12, 2022, to determine the boundaries of said deteriorated areas and to establish the LERTA provisions, which hearing was duly advertised; and

WHEREAS, at said public hearing, agencies, and individuals had the opportunity to present to the City Council of the City of Jeannette their recommendations concerning the location of the boundaries of deteriorated areas and the advocacy of implementation for the LERTA Program.

NOW, THEREFORE, BE IT ORDAINED AND ENACTED, by the City Council of the City of Jeannette that:

- **Section 1.** <u>Definitions.</u> As used in this Ordinance, the following words and phrases shall have the meaning set forth below:
- (a) "Deteriorated Property" means any industrial, commercial or other business property, consistent with the definitions provided in the City of Jeannette Zoning Ordinance, owned by an individual, association, or corporation, and located in a "Deteriorated Area" as defined in this Ordinance or as otherwise provided by Resolution of the Council of the City of Jeannette, or any such property which has been the subject of an order by the City of Jeannette or agency thereof requiring the unit to be vacated, condemned, or demolished by reason of noncompliance with applicable laws, ordinances, or regulations of the City of Jeannette. "Deteriorated Property" shall not mean any residential property, including, without limitation, any property rented, leased, or otherwise offered for residential purposes or uses; but shall include any mixed-use property a portion of which is used for residential purposes or uses if at least seventy-five percent (75%) of

the "Improvement" as defined in this Ordinance and as calculated using the assessed value of such Improvement is made to the industrial, commercial, or business use portions of such mixed-use property.

- (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 the City of Jeannette, the Jeannette Area School District, and the County of Westmoreland or any other governmental entity having the authority to levy real property taxes within the City of Jeannette.
 - (d) "Local Governing Body" means the City of Jeannette.
- (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.
- Section 2. Exemption Areas. The zoned areas in the City of Jeannette on the map attached hereto and incorporated herein as Exhibit A, "LERTA Zones Map," are hereby specifically designated as being Deteriorated Areas: LERTA Districts Numbered One (1) through Nineteen (19). All commercial, industrial, or local business properties located in the above districts are eligible to participate in this tax exemption program, so long as they meet the prerequisites for the program as hereinafter described.

Section 3. 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 Westmoreland County Tax Assessment Office. Tax exemption shall only be granted if the property, as completed, complies with the various codes of the City of Jeannette, including, without limitation, any approval as a land development by the City of Jeannette.

Section 4. <u>Exemption Schedule.</u>

(a) For the three (3) years immediately following the year upon which the improvement becomes assessable, the eligible assessment shall be exempted in accordance with the following schedule:

| Year | Exemption | 200 |
|-----------------|-----------|-----|
| 1 (First Year) | 100% | |
| 2 (Second Year) | 100% | |
| 3 (Third Year) | 100% | |

After the third year, the exemption shall terminate.

(b) The exemption from the taxes granted under this Ordinance shall be upon the property and shall not terminate upon the sale or exchange of the property.

Section 5. Notice to Taxpayers.

(a) Pursuant to this Ordinance, taxpayers are hereby notified as follows:

Under the provisions of this Ordinance, you may be entitled to a property tax exemption on your contemplated alteration or new construction. An application for exemption may be secured from the City of Jeannette, 110 Second Street, Jeannette, Pennsylvania and must be filed with the City of Jeannette 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 commences.

The City may include the above notice in official documents of the City, including, without limitation, tax notices and building permit applications.

- (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 Jeannette for the exemption provided for in this Ordinance. Request for the exemption must be in writing certified in full setting forth the following information:
 - (1) The date the building permit or alteration permit was issued for said improvements.
 - (2) The location of the property to be improved.
 - (3) The nature of the property to be improved.
 - (4) The type of improvement.
 - (5) The summary of the plan of the improvement.
 - (6) The cost of the improvement.
 - (7) Any and all additional information the City may require.

- **Section 6.** <u>Minimum Mandate</u>. There shall be no minimum mandate for eligibility for this program.
- Section 7. Procedure for Obtaining Exemption. A copy of the application for exemption shall be forwarded to the Westmoreland County Tax Assessment Office and the City of Jeannette School District by the City of Jeannette. Upon completion of the improvement or new construction, the taxpayer shall notify the City and the Westmoreland 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 established in this Ordinance. The City will then obtain from the Assessor the amount of the assessment eligible for exemption and will notify the taxpayer. Appeals from the assessments and the amount eligible for the exemption may be taken by the taxpayer or the City as provided by law. However, after the initial assessment, the applicant waives the right to appeal the assessment for the term of the program or exemption.
- Section 8. <u>Termination</u>. Unless otherwise repealed by City Council, this Ordinance shall terminate on May 31, 2025. Nothing contained herein shall prohibit City Council from enacting a similar ordinance 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.
- **Section 9.** Rules and Regulations. The City Council of the City of Jeannette is hereby authorized and empowered to prepare, promulgate, and enforce 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 City Council.
- **Section 10.** Severability. The provisions of this Ordinance are severable and if any of its sections, clauses, or sentences shall be held illegal, invalid, or unconstitutional, such provisions shall not affect or impair any of the remaining sections, clauses, or sentences.
- Section 11. <u>Contingency</u>. Notwithstanding other provisions of this Ordinance, this Ordinance shall remain in full force and effect conditioned upon the Board of Directors of the Jeannette Area School District and the Commissioners of Westmoreland County enacting similar Resolutions or Ordinances with identical Deteriorated Areas as those designated by the City of Jeannette, no later than May 31, 2022.
 - **Section 12.** <u>Effective Date</u>. This Ordinance shall become effective in ten (10) days.

CITY OF JEANNETTE

By: 🕠



ATTEST:

(SEAL)

Benjamin D. Walker City Clerk

Curtis J. Antoniak, Mayor and President of Council

