

CALN TOWNSHIP
CHESTER COUNTY, PENNSYLVANIA

ORDINANCE NO. 2022-04

AN ORDINANCE ENACTED PURSUANT TO THE LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE LAW (LERTA), AUTHORIZING 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; AND PROVIDING A PROCEDURE FOR SECURING AN EXEMPTION.

WHEREAS, the General Assembly of the Commonwealth of Pennsylvania passed Act 76 of 1977 (72 P.S. § 4722, et seq.), known as the Local Economic Revitalization Tax Assistance Law (“LERTA” or the “Act”) which authorized local taxing authorities to provide for tax exemption for certain deteriorated industrial, commercial and other business property; and

WHEREAS, the Board of Commissioners of Caln Township (the “Board”), in accordance with said Act, held a public hearing on March 28, 2013 to determine the boundaries of said deteriorated areas which shall be identified as the “Deteriorated Areas”; and

WHEREAS, the Board, at the conclusion of the public hearing, enacted Resolution No. 2013-3 which identified the Deteriorated Areas located within Caln Township which are eligible for tax exemption pursuant to this Ordinance; and

WHEREAS, the Board, on April 11, 2013 enacted Ordinance No. 2013-03 which provided for local tax exemptions pursuant to LERTA for a specified ten year term expiring April 11, 2023; and

WHEREAS, Section 7 of Ordinance No. 2013-03, by its own terms, provides that any property tax exemption granted pursuant to Ordinance No. 2013-03 shall be permitted to continue according to the exemption schedule specified therein, even if Ordinance No. 2013-03 expires or is repealed; and

WHEREAS, on July 28, 2022, the Board held a public hearing to reaffirm the boundaries of the deteriorated areas and thereafter adopted Resolution No. 2022-24, which identified the Deteriorated Areas located within Caln Township which are eligible for tax exemption pursuant to this Ordinance; and

WHEREAS, the Board now wishes to establish and adopt a new ordinance to establish a new tax exemption pursuant to LERTA for a period of five years as described herein for

properties that did not apply for and receive tax exemption pursuant to Ordinance No. 2013-03;

NOW, THEREFORE, BE IT ENACTED AND ORDAINED by the Board as follows:

SECTION 1. DEFINITIONS. 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 owned by an individual, association or corporation, and located in a "Deteriorated Area", as provided by Resolution of the Board or any such property which has been the subject of an order by the Board or other governmental agency requiring the unit to be vacated, condemned or demolished by reason of non-compliance with laws, ordinances or regulations.
- B. "Improvement(s)" 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 Governing Body" means the Board of Commissioners of Caln Township.

SECTION 2. EXEMPTION.

- A. The exemption from real property taxes shall be limited:
 - (1) To the exemption schedule as established within this Ordinance.
 - (2) To that portion of the additional assessment attributable to the actual cost of Improvements to the Deteriorated Property.
 - (3) To the assessment valuation attributable to the cost of construction of a new industrial, commercial or other business unit.
- B. In all cases, the exemption from taxes shall be limited to that portion of the additional assessment attributable to the Improvement and for which a separate assessment has been made by the Chester County Board of Assessment and for which an exemption has been separately requested.
- C. No tax exemption shall be granted if the property owner does not secure the necessary and proper permits prior to improving the property.

- D. No tax exemption shall be granted if the property owner is delinquent in the payment of real estate taxes at the time of application for tax exemption.
- E. In any case, after the effective date of this Ordinance, when Deteriorated Property 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 this Ordinance shall be limited to that portion of new assessment attributable to the actual cost of Improvements that is in excess of the original assessments that existed prior to damage, destruction or demolition of the property.
- F. Any exemption permissible under this Ordinance shall not be applied to any residential home, apartment buildings or other living establishments, except hotels and motels which rent rooms to travelers on a short-term basis.

SECTION 3. EXEMPTION AREA. The Board enacted Resolution No. 2022-24 on July 28, 2022 which identified the boundaries of the Deteriorated Areas. A copy of Resolution No. 2022-24 is attached hereto as Exhibit "A". Subject to the limitations set forth in this Ordinance, all commercial, industrial or local business properties located in the Deteriorated Areas may be eligible to participate in the tax exemption program established in this Ordinance.

SECTION 4. EXEMPTION SCHEDULE.

- A. The schedule of real estate taxes to be exempted shall be in accordance with the following percentage of Improvements to be exempted each year.

<u>YEAR</u>	<u>PORTION TO BE EXEMPT</u>
First Year	100%
Second Year	80%
Third Year	60%
Fourth Year	40%
Fifth Year	20%

- B. 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.

- C. 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.
- D. After the 5th year, the exemption shall terminate.

SECTION 5. NOTICE TO TAXPAYERS.

- A. There shall be placed on the form application for a building permit the following notation:

Under the provisions of Ordinance No. 2022-04, 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 Code Enforcement Office and must be filed with the Township at the time a building permit is secured.

- B. At the time a building permit is secured for the construction of an Improvement for which an exemption is requested, the taxpayer shall apply to the Board of Commissioners for the exemption provided for in this Ordinance. A request for the exemption must be in writing and include the following information:

- (1) The date the building permit was issued for the Improvements.
- (2) The type of Improvement.
- (3) The summary of the plan of the Improvement.
- (4) The cost of the Improvement.
- (5) Any or all such additional information required.

SECTION 6. PROCEDURE FOR OBTAINING EXEMPTION. A copy of the written request for exemption shall be forwarded to the Chester County Assessment Office by the Township. Upon completion of the Improvement, the taxpayer shall notify the Board of Commissioners so that the Board may have the Assessor 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 Township will then obtain from the Assessor the amount of the assessment eligible for exemption, and will notify the taxpayer. Appeals from the reassessment and the amount eligible for the exemption may be taken by the taxpayer or by the Township as provided by law.

SECTION 7. TERMINATION. Unless otherwise repealed by the Board of Commissioners, this Ordinance shall terminate five (5) years from the effective date hereof. Nothing contained herein shall act to prohibit the Board of Commissioners from enacting a similar Ordinance, or extending this one. 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 8. CONTINUATION OF TAX EXEMPTION GRANTED UNDER ORDINANCE NO. 2013-03. Pursuant to the terms of Ordinance No. 2013-03, any tax exemption granted thereunder shall continue pursuant to the terms of Ordinance 2013-03 notwithstanding the adoption of this Ordinance.

SECTION 9. 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 10. REPEALER. All ordinances or parts of ordinances conflicting with any provision of this Ordinance are hereby repealed insofar as the same affects this Ordinance.

SECTION 11. EFFECTIVE DATE. This Ordinance shall become effective immediately upon adoption.

ENACTED AND ORDAINED THIS 28th DAY OF July 28, 2022.

ATTEST:

**CALN TOWNSHIP
BOARD OF COMMISSIONERS**

Kristen Denne, Secretary

Paul Mullin, President

Jane Kennedy, Vice President

Lorraine Tindaro, Member

Joshua B. Young, Member

Mark Evans, Member