

ORDINANCE NO. ____

TOWNSHIP OF CUMRU

ENACTED _____, 2018

AN ORDINANCE PROVIDING FOR TAX EXEMPTION FOR CERTAIN IMPROVEMENTS TO DETERIORATED PROPERTY IN THE TOWNSHIP PURSUANT TO THE PENNSYLVANIA LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE ACT, DEFINING DETERIORATED PROPERTY, PROVIDING FOR AN EXEMPTION PERIOD, AND ESTABLISHING A SCHEDULE OF PERCENTAGE EXEMPTION FOR THAT TIME PERIOD.

WHEREAS, The Board of Commissioners has determined that a portion of the Township of Cumru (the “Township”) has attributes that constitute it as a deteriorating area within the meaning of the Local Economic Revitalization Tax Assistance Act of the Commonwealth of Pennsylvania (the “Act”), and that there exist commercial and other business property within such portion of the Township, the revitalization of which could benefit from the enactment of this Tax Abatement Ordinance; and

WHEREAS, the Board of Commissioners of the Township has reviewed the boundaries of the deteriorating areas within the Township and has concluded that the boundaries of the Tax Abatement District to be covered by this Tax Abatement Ordinance (the “LERTA Area”) shall be the Highway Commercial Zoning District of the Township in the corridor along State Route 222 within the Township beginning slightly north of the intersection of State Route 222 with State Route 724 at the northern edge of Parcel No. 39439506386873 and extending South along Route 222 to the base of Five Mile House Hill at the southern edge of Parcel No. 39438512962701; and

WHEREAS, the Township, therefore does hereby enact this Tax Abatement Ordinance upon the terms and conditions contained herein.

NOW, THEREFORE, BE IT ORDAINED, By the Board of Commissioners of the Township of Cumru, Berks County, Pennsylvania, and it is hereby ordained by the authority of the same as follows:

Section 1. Definitions

A. “Deteriorated Property” means any industrial, commercial or other business property owned by an individual, association or corporation, and located in the LERTA Area including, without limitation, any such property 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. Deteriorated property is not intended to include any residential property, whether single family or multifamily.

B. “Improvement” means repair, construction or reconstruction, including alterations and additions and including new construction, having the effect of rehabilitating a Deteriorated

Property and one of the following: (y) it attains higher standards of safety, health, economic use or amenity; or (z) is brought into compliance with laws, ordinances or regulations governing such standards. In connection with any property used in part for an industrial, commercial or other business use and, in part, for a residential use, only the portion of the “Improvement” of the industrial, commercial or other business use portion of the property shall be eligible for the benefits of this Ordinance.

Section 2. Exemption Area

This Ordinance relates to all Deteriorated Property in the LERTA Area, defined above.

Section 3. Exemption

- A. There is hereby exempted from all real property taxation assessed by the Township the assessed valuation of Improvement to Deteriorated Property.
- B. The exemption authorized by Subsection A this Section 3 shall be in the amounts and in accordance with the provisions and limitations herein provided.

Section 4. Maximum Exemption

- A. The exemption from real estate property taxes assessed by the Township shall be that portion of the additional assessment attributable to the actual cost of Improvement to Deteriorated Property. The date of Improvement shall be the date of issuance of the building permit, improvement record or other required notification of construction.
- B. In any case, after the effective date of this Ordinance where 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 Improvement that is in excess of the original assessment that existed prior to damage, destruction or demolition of the property.

Section 5. Exemption Schedule

- A. The schedule of Real Estate taxes to be exempted for Improvement to Deteriorated Property shall be in accordance with the below portion of Improvement to be exempted each year:

Length Portion

1st year 100%
2nd year 90%
3rd year 80%
4th year 70%
5th year 60%
6th year 50%

7th year 40%
8th year 30%
9th year 20%
10th year 10%

After the tenth year the exemption shall terminate.

- 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. The exemption from taxes hereunder shall be forfeited by the applicant and/or any 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 Township shall discontinue the exemption provided for hereunder.

Section 6. Procedure for Obtaining Exemption

- A. An application for exemption may be secured from the Township, 1776 Welsh Road, Mohnton, Pennsylvania and must be filed with the Township 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.
- 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 Township 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 incurred by the owner.
 - (7) Any and all additional information the Township may require.
- C. A copy of the application for exemption shall be forwarded to the Berks County Board of Assessment Appeals (the "Berks County Tax Assessor") by the Township. Upon completion of the Improvements, the taxpayer shall notify the Township and the Berks County Tax Assessor, so that the Berks County Tax 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 Township will

then obtain from the Berks County Tax 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 Township 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.

- D. The Township may, by Ordinance adopted from time to time, extend the time for filing an application for exemption. However, in no event shall any one (1) extension period exceed three (3) years.
- E. No tax exemption shall be granted if the property owner does not secure the necessary and proper permits prior to making an Improvement to the property.
- F. No tax exemption shall be granted for any property which has outstanding any notice of violation, citation or similar notice of violation, of any Township property of building code unless such violation is to be remedied in connection with the work constituting the Improvement.

Section 7. Effective Date

This Ordinance shall become effective immediately as prescribed by law.

Section 8. Amendments

No amendments to this Ordinance shall be effective unless consented to by Ordinance or resolution of each local taxing authority who has consented to be bound by the terms of this Ordinance.

Section 9. Termination Date

This Ordinance shall automatically terminate in ten (10) years following the effective date hereof; provided, however, that any taxpayer who has received or applied for the exemption granted by this Ordinance prior to the expiration date herein provided, shall, if said exemption is granted, be entitled to the full exemption authorized herein.

Section 10. Severability

The provisions of this Ordinance are not severable, and if any section, sentence, clause, part or provision hereof shall be held to be illegal, invalid or unconstitutional by any court of competent jurisdiction, such decision of the Court shall invalidate the entire Ordinance. It is hereby declared to be the intent of the Township Board of Commissioners of the Township that this Ordinance would not have been enacted but for the inclusion of the section, sentence, clause, part or provision found to be illegal, invalid or unconstitutional.

DULY ENACTED THIS _____ DAY OF _____, 2018 BY THE BOARD OF COMMISSIONERS OF THE TOWNSHIP OF CUMRU.

PRESIDENT, BOARD OF COMMISSIONERS

ATTEST: _____
SECRETARY