



County of Lackawanna

Lackawanna County
Administration Building
200 Adams Avenue
Scranton, Pennsylvania
18503

Certified Copy

Ordinance: 12-0102

File Number: 12-0102

Ordinance #217

Second Reading

Local Economic Revitalization Tax Assistance

Ordinance #217

First Reading: June 13, 2012

Second Reading: June 27, 2012

ORDINANCE #217

BOARD OF COMMISSIONERS
OF THE
COUNTY OF LACKAWANNA, PENNSYLVANIA

PROVIDING FOR PROPERTY TAX EXEMPTION 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 has enacted legislation known as the "Local Economic Revitalization Tax Assistance Act" (LERTA), (Act 76 of 1977, 72 P.S. §4722 et seq.) amended July 11, 1998 (P.L. 518, 90) which authorizes local taxing authorities to provide for tax exemption for certain deteriorated industrial, commercial and other business property.

NOW, THEREFORE, BE IT ORDAINED BY LACKAWANNA COUNTY 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 - any industrial, commercial or other business property owned by an individual, association or corporation, and located in a deteriorating area, as designated herein, or any such property which has been the subject of an order by the City of Scranton, the County of Lackawanna and the School District of the City of Scranton requiring the unit to be vacated, condemned or demolished by reason of noncompliance with laws, ordinances or regulations.

(b) IMPROVEMENT -- 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.

(c) LOCAL TAXING AUTHORITY -- the City of Scranton, the School District of the City of Scranton, the County of Lackawanna or any other governmental entity having the authority to levy real property taxes within the jurisdiction of the City of Scranton.

(d) MUNICIPAL GOVERNING BODY -- the City of Scranton with approval by Lackawanna County.

SECTION 2. EXEMPTION AMOUNT.

(a) The amount to be exempted shall be limited to that portion of the additional assessment attributable to the actual cost of improvements.

(b) The exemption shall be limited to that improvement for which an exemption has been requested in the manner set forth below, and for which a separate assessment has been made by the Lackawanna County Board of Assessment Appeals.

SECTION 3. EXEMPTION SCHEDULE.

A. All exemptions available hereunder shall be based upon the aggregate cost of each

improvement as follows:

1. There shall be no exemptions available hereunder on any improvement, the aggregate cost of which is not in excess of Five Hundred Thousand Dollars (\$500,000.00);
2. There shall be a One Hundred percent (100%) tax exemption for the duration of one (1) year available for an improvement to a structure, the cost of which is in excess of Five Hundred Thousand Dollars (\$500,000.00), but not in excess of One Million Dollars (\$1,000,000.00);
3. For each improvement, the cost of which is in excess of One Million Dollars (\$1,000,000.00), the available tax exemptions shall be calculated as follows:
 - a) For every One Million Dollars (\$1,000,000.00) of improvement cost, there shall be available a One Hundred percent (100%) tax exemption for a period of one (1) year, said period(s) of exemption may accumulate and run consecutively;
 - b) Every fraction of improvement cost shall be rounded to the nearest One Hundred Thousand Dollars (\$100,000.00). For every One Hundred Thousand Dollars (\$100,000.00) of fractional structure improvement costs, there shall be an exemption of One Hundred percent (100%) for one-tenth (1/10) of the year to become effective and run at the conclusion of all other periods of tax exemption which are available hereunder.
4. By way of example, the following improvement costs shall result in the following tax exemptions:

| <u>STRUCTURE IMPROVEMENT COSTS</u> | <u>TAX EXEMPTION</u> |
|------------------------------------|----------------------|
| \$ 300,000.00 | 0 |
| 2,000,000.00 | 2 YEARS |
| 5,500,000.00 | 5.5 YEARS |
| 8,700,000.00 | 8.7 YEARS |
| 11,500,000.00 | 10 YEARS |

5. There shall be no tax exemption available here under which would exceed a maximum exemption of One Hundred percent (100%) for a period of ten (10) years.
6. The Lackawanna County reserves the right to amend this Ordinance or any portion thereof from time to time as it shall deem advisable as in the best interest of the promotion of the purposes and intent of this Ordinance and the effective administration thereof.
7. This Ordinance shall become effective immediately upon approval, and unless otherwise repealed by subsequent legislation, this Ordinance shall remain in full force and effect for a period of five (5) years from the date of approval. However, as hereinbefore stated, the Lackawanna County reserves the right to amend this Ordinance or repeal this Ordinance at any time. However, any property tax exemptions granted hereunder shall be permitted to continue according to the exemption schedule as set forth in Section 3.

SECTION 4. APPLICATION BY TAXPAYERS

- (a) The Taxpayer shall have the obligation to apply for the exemption set forth herein.
- (b) At the time a building or alteration permit is secured for the construction of an improvement for which an exemption is requested, the taxpayer shall apply to the Lackawanna County Assessor or any successor agency thereto, for the exemption provided for in this Ordinance.

Request for the exemption must be in writing certified in full as prescribed by the Lackawanna County setting forth the following information:

- 1) The date the building permit or alteration permit was issued for said improvements.
- 2) The type of improvement.
- 3) The summary of the plan of the improvement.
- 4) The cost of the improvement.
- 5) That the property has been inspected and verified by the City of Scranton, Bureau of Inspections.
- 6) Any or all such additional information that Lackawanna County may require.

SECTION 5. PROCEDURE FOR OBTAINING EXEMPTION

A copy of the request for exemption shall be forwarded to the Lackawanna County Board of Assessment Appeals by the City of Scranton and/or the County of Lackawanna. Upon completion of the improvement, the taxpayer shall notify the City of Scranton, Lackawanna County, the School District of the City of Scranton and Lackawanna County Board of Assessment Appeals, so that the Lackawanna County Board of Assessment Appeals may 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 of Scranton, Lackawanna County and the School District of the City of Scranton will then obtain from the Board the amount of the assessment eligible for exemption, and will notify the taxpayer. The Treasurer is authorized to make refunds, if applicable, only after the Lackawanna County Board of Assessment Appeals has notified the Treasurer of its separate assessment upon the improvement for which an exemption is requested.

Appeals from the reassessment and the amount eligible for the exemption may be taken by the taxpayer or the City of Scranton, Lackawanna County or the School District of the City of Scranton as provided by law.

SECTION 6. CONTINGENCY

Adoption of this Ordinance is contingent upon the final adoption of LERTA by the City of Scranton and the Scranton School District. Failure of either municipal body shall render this Ordinance null and void.

SECTION 7. TERMINATION

Unless otherwise repealed by subsequent legislation, this Ordinance shall remain in full force and effect for a period of five (5) years from the date of enactment. However, if this Ordinance should subsequently be repealed, any property tax exemptions granted hereunder shall be permitted to continue according to the exemption schedule as set forth in Section 3 herein.

SECTION 8. BOUNDARIES

The boundaries of the City of Scranton are hereby affixed as the boundaries of the deteriorated area and all industrial, commercial and other business properties located therein shall be considered deteriorated property for purposes of this Ordinance.

SECTION 9. SEVERABILITY

If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Ordinance so long as it remains legally enforceable minus the invalid portion. The City of Scranton, Lackawanna County and the School District of the City of Scranton reserve the right to amend this Resolution from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Ordinance, and the effective

administration thereof.

SECTION 10. EFFECTIVE DATE

This ordinance shall be in full force and effect ten (10) days after publication as required by law.

ADOPTED at a regular meeting of the Board of Commissioners of Lackawanna County held on June 27, 2012.

COUNTY OF LACKAWANNA



JIM WANSACZ



COREY D. O'BRIEN



PATRICK M. O'MALLEY

ATTEST:



MARIA ELKINS
CHIEF OF STAFF

Approved as to form and legality:



DONALD J. FREDERICKSON, ESQUIRE
COUNTY SOLICITOR