

# NORTHAMPTON COUNTY COUNCIL - EASTON, PA

Ordinance No. \_\_\_\_\_ SESSION 2022 Bill No. 818

Introduced by John Cusick and John A. Brown on July 21, 2022

Enacted \_\_\_\_\_ Effective \_\_\_\_\_

**Title:** AN ORDINANCE BY NORTHAMPTON COUNTY COUNCIL CONCURRING WITH THE BOROUGH OF WILSON AND THE WILSON AREA SCHOOL DISTRICT, AND PROVIDING FOR PROPERTY TAX EXEMPTION FOR CERTAIN PROPERTIES IN THE BOROUGH OF WILSON TO BE LISTED AS DETERIORATED PROPERTY AS DEFINED IN THE BOROUGH OF WILSON RESOLUTION NUMBER 1269 PURSUANT TO ACT 76 OF 1977, OF THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF PENNSYLVANIA, AS AMENDED (72 P.S. §4722 ET SEQ.)

**WHEREAS,** the General Assembly of Pennsylvania passed Act 76 of 1977, known as the Local Economic Revitalization Tax Assistance Act (hereafter referred to as LERTA), which authorizes local taxing authorities to provide tax exemption for certain deteriorated industrial, commercial and other business properties; and

**WHEREAS,** the Borough of Wilson (hereafter referred to as the Borough), and the Wilson Area School District (hereafter referred to as the School District), have approved LERTA exemptions to the deteriorated areas defined in the Borough Resolution 1269; and

**WHEREAS,** the County Council of Northampton County (hereinafter referred to as the County Council), in accordance with said Act held a public hearing; and

**WHEREAS,** Northampton County (hereafter referred to as the County), has determined that the tax parcels as set forth in the Borough Resolution 1269 constitute deteriorated properties as defined in Act 76 of 1977, 72 P.S. § 4722, et seq. and areas in which improvements are eligible for the Tax Exemption by the Local Taxing Authorities in accordance with this Ordinance.

**NOW, THEREFORE, BE IT ORDAINED** by the County Council:

**I. DEFINITIONS**

As used in this Ordinance, the following words and phrases shall have the meaning set forth below:

A) "Deteriorated Area" means that portion of the Borough which the Wilson Borough Council has determined to be physically blighted pursuant to Act 76 of 1977 of the General Assembly of the Commonwealth of Pennsylvania, as amended (72 P.S. 4722 et seq.) whose boundaries are described in the Borough Resolution Number 1269.

B) "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 the Borough Resolution Number 1269 or any such property which has been the subject of an order by the Borough requiring the unit to be vacated, condemned or demolished by reason of noncompliance with laws, ordinance, or regulations.

C) "Improvement" means the 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.

D) "Local taxing authority" means the Borough, the School District or the County.

E) "Completion of Improvement" means the date when eighty-five percent (85%) of the Deteriorated Property in a deteriorated area has been improved as evidenced by Certificates of Occupancy from the Borough for no less than eighty-five percent (85%) of the gross floor area of the Deteriorated Property's building, or an earlier date at the option of the owner of the Deteriorated Property who shall notify the Borough Manager in writing of the earlier date, but not later than four (4) years from the date when the Deteriorated Property has been acquired by the owner of the Deteriorated Property.

F) "Separate Assessment" means the total assessment for the Improvement, including the amount which the Assessment Division of the Department of Fiscal Affairs of the County (hereafter referred to as Assessment Division) shall, after Completion of Improvement, assess separately for the Improvement, the amount of any change in assessed valuation of the Improvement and the amount of any countywide revision of reassessment attributable to the Improvement.

G) "Base Assessment" means the total assessment for all real estate in a deteriorated area reduced by the amount of the Separate Assessment. The current Base Assessment is \$1,330,900.00.

## **II. ELIGIBLE AREAS**

The County Council hereby determines that the Deteriorated Area of the Borough as defined in I. above contain "deteriorated" areas as defined in Act 76 of 1977, 72 P.S. §4722, *et seq.* and are eligible for tax exemption under this Act.

## **III. 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 Assessment Division.

## **IV. EXEMPTION SCHEDULE**

Subject to the conditions, requirements and limitations set forth in this Ordinance, taxpayers making assessable improvements to deteriorated property located in the deteriorating area may apply for and may be granted a real estate tax exemption limited to the amounts in Sections III (A) and (B) as set forth above, subject to the following schedule:

A) New Construction Improvements

(1) For the first year immediately following the date upon which the improvement becomes assessable, 100% of the eligible assessment shall be exempted.

(2) For the second year immediately following the date upon which the improvement becomes assessable, 90% of the eligible assessment shall be exempted.

(3) For the third year immediately following the date upon which the improvement becomes assessable, 80% of the eligible assessment shall be exempted.

(4) For the fourth year immediately following the date upon which the improvement becomes assessable, 70% of the eligible assessment shall be exempted.

(5) For the fifth year immediately following the date upon which the improvement becomes assessable, 60% of the eligible assessment shall be exempted.

(6) For the sixth year immediately following the date upon which the improvement becomes assessable, 50% of the eligible assessment shall be exempted.

(7) For the seventh year immediately following the date upon which the improvement becomes assessable, 40% of the eligible assessment shall be exempted.

(8) For the eighth year immediately following the date upon which the improvement becomes assessable, 30% of the eligible assessment shall be exempted.

(9) For the ninth year immediately following the date upon which the improvement becomes assessable, 20% of the eligible assessment shall be exempted.

(10) For the tenth year immediately following the date upon which the improvement becomes assessable, 10% of the eligible assessment shall be exempted.

(11) After the tenth year the exemption shall terminate.

(12) 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.

B) Substantial Rehabilitation Improvements

(1) For the first year immediately following the date upon which the improvement becomes assessable, 100% of the eligible assessment shall be exempted.

(2) For the second year immediately following the date upon which the improvement becomes assessable, 90% of the eligible assessment shall be exempted.

(3) For the third year immediately following the date upon which the improvement becomes assessable, 80% of the eligible assessment shall be exempted.

(4) For the fourth year immediately following the date upon which the improvement becomes assessable, 70% of the eligible assessment shall be exempted.

(5) For the fifth year immediately following the date upon which the improvement becomes assessable, 60% of the eligible assessment shall be exempted.

(6) For the sixth year immediately following the date upon which the improvement becomes assessable, 50% of the eligible assessment shall be exempted.

(7) For the seventh year immediately following the date upon which the improvement becomes assessable, 40% of the eligible assessment shall be exempted.

(8) For the eighth year immediately following the date upon which the improvement becomes assessable, 30% of the eligible assessment shall be exempted.

(9) For the ninth year immediately following the date upon which the improvement becomes assessable, 20% of the eligible assessment shall be exempted.

(10) For the tenth year immediately following the date upon which the improvement becomes assessable, 10% of the eligible assessment shall be exempted.

(11) After the tenth year the exemption shall terminate.

(12) 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.

#### **V. PROCEDURES FOR OBTAINING EXEMPTION**

A copy of the request for exemption, on forms prescribed by the County Director of Fiscal Affairs, shall be forwarded to the Assessment Division, the County Board of Assessment Appeals and the School District by the Borough. Upon completion of the Improvement, the owner of the Deteriorated Property shall notify the Borough and the Assessment Division. The Assessment Division shall, after Completion of Improvement, assess separately and calculate the amount of the Separate Assessment eligible for Exemption in accordance with the Exemption Schedule of this Ordinance and shall notify the owner of the Deteriorated Property and the Borough of the Separate Assessment and the amount of the Separate Assessment eligible for the Exemption. The Director of the Department of Fiscal Affairs is authorized to make refunds, if applicable, only after the Assessment Division has notified the Director of Fiscal Affairs of its Separate Assessment upon the Improvement for which an exemption is requested. Appeals from the Separate Assessment and the amount eligible for the Exemption may be taken by the owner of the Deteriorated Property or the Borough as provided by law.

#### **VI. SEVERABILITY**

All 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. It is hereby declared to be the intent of the County Council that this Ordinance would have been adopted if such illegal, invalid or unconstitutional sections, clauses or sentences had not been included herein.

#### **VII. EFFECTIVE DATE**

This Ordinance shall take effect on thirty (30) days after the date of enactment and shall remain in effect

thereafter from year to year, unless repealed, until December 31, 2036.

**VIII. OTHER LEGISLATION**

All ordinances, and parts of ordinances, inconsistent with the provisions of this Ordinance are hereby repealed to the extent of the inconsistency.

This ordinance was advertised on the \_\_\_ day of \_\_\_\_\_ 2022 and was adopted by the Northampton County Council on the \_\_\_ day of \_\_\_\_\_ 2022.

ATTEST:

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Linda M. Zembo  
Clerk to Council

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Lori Vargo Heffner  
County Council President

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Lamont G. McClure  
County Executive