

**EAST PIKELAND TOWNSHIP  
CHESTER COUNTY, PENNSYLVANIA**

**ORDINANCE No. 151**

**AN ORDINANCE OF THE EAST PIKELAND TOWNSHIP BOARD OF SUPERVISORS PROVIDING FOR REAL ESTATE TAX EXEMPTION FOR NEW CONSTRUCTION AND IMPROVEMENTS TO DETERIORATED PROPERTY PURSUANT TO THE PROVISIONS OF THE LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE ACT, 72 P.S. SECTION 4722 ET SEQ., AND ESTABLISHING PROCEDURES FOR OBTAINING SUCH EXEMPTION.**

Whereas, on December 1, 1977, Act Number 76 authorizing the exemption from tax of certain improvements to deteriorated commercial structures was approved by the Governor of the Commonwealth of Pennsylvania; and

Whereas, on July 13, 1988, Act Number 90 amended Act Number 76 to additionally authorize the exemption from tax of new construction in deteriorated areas was approved by the Governor of the Commonwealth of Pennsylvania; and

Whereas, East Pikeland Township desires to provide tax relief to certain portions of commercial lands within the Township which qualify as deteriorated property pursuant to said Acts; and

Whereas, in accordance with said Acts a public hearing was held to determine the boundaries of the areas within the Township which shall qualify for such tax exemption.

NOW, THEREFORE, BE IT ENACTED AND ORDAINED, by the Board of Supervisors of the Township of East Pikeland, Chester County, Commonwealth of Pennsylvania, and it is hereby enacted and ordained by its authority as follows:

**Section 1.     Short Title.**

This document is a Local Economic Revitalization Tax Assistance Ordinance and shall be known and cited as the "East Pikeland Township LERTA Ordinance".

**Section 2.     Purposes.**

The purpose of this Ordinance is to encourage new construction and improvements to commercial properties within the identified deteriorated areas. The new construction and improvements shall include the incorporation of residential uses as permitted by Article X Mixed Use Development District and Article XII Commercial District of the Township's Zoning Ordinance.

**Section 3.     Definitions.**

As used in this Ordinance, the following terms shall have the meanings indicated:

COMMERCIAL A use of land or improvements thereto for the purpose of engaging in retail, wholesale or service activities for profit and including incorporated residential uses as permitted by the provisions of Article X Mixed Use Development District and Article XII Commercial District of the Township's Zoning Ordinance.

DETERIORATED PROPERTY means any industrial, commercial or other business property owned by an individual, association or corporation and located in a deteriorated area, as hereinafter provided, or 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.

IMPROVEMENT means repair, construction or reconstruction, including alterations and additions, having the effect of rehabilitating deteriorated property, so that it becomes habitable or may attain a higher standard 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.

DETERIORATED AREAS

the following areas within East Pikeland Township determined by the Board of Supervisors to be eligible for tax exemption under Act 76 of 1977, Local Economic Revitalization Tax Assistance Act.

A.

The Mixed-Use Development District as defined in the East Pikeland Township Zoning Ordinance (Article X) and maps issued and adopted pursuant thereto.

B.

The Commercial District through which PA State Highway Route 23, passes and as defined in the East Pikeland Township Zoning Ordinance (Article XII) and maps issued and adopted pursuant thereto.

**Section 4. Exemption Granted.**

There is hereby exempted from all real property taxation the assessed valuation of:

A. Improvements to deteriorated properties.

B. Improvements to any commercial properties, without regard to whether such properties qualify as deteriorated properties, provided that said improvements are constructed within deteriorated areas.

C. New construction built in any deteriorated area.

- D. Improvements and new construction in accordance with A-C above including all permitted commercial uses as well as dwelling units in the MU District when dwellings are in combination with non-residential uses.

**Section 5. Maximum Exemption.**

- A. The exemption from real property taxes shall be limited to that portion of the additional assessment attributable to the actual cost of new construction or improvements to deteriorated property.
- B. In all cases the exemption from taxes shall be limited to that portion of the additional assessment attributable to the improvement or new construction, as the case may be, and for which a separate assessment has been made by the County Board of Assessment Appeals and for which an exemption has been separately requested. No tax exemption shall be granted if the property owner does not secure the necessary and proper permits prior to improving the property. No tax exemption shall be granted if the property as completed does not comply with the minimum standards of the Housing and Building Codes of East Pikeland Township.
- C. If any case after the effective date of this Part 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 Part shall be limited to that portion of new assessment attributable to the actual cost of improvements or construction that is in excess of the original assessment that existed prior to damage, destruction or demolition of the property.

**Section 6. Exemption Schedule: Conditions.**

- A. The schedule of real estate taxes to be exempted shall be in accordance with the below portion of improvements or new construction to be exempted each year:

<u>Length</u>	<u>Portion</u>
First Year	100%
Second Year	90%
Third Year	80%
Fourth Year	70%
Fifth Year	60%
Sixth Year	50%
Seventh Year	40%
Eighth Year	30%
Ninth Year	20%
Tenth Year	10%
After the Tenth Year	Exemption terminates

- B. The exemption from taxes granted under this Part 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 Part, the improvement or new construction shall not, during the exemption period, be considered as a factor in assessing other properties.

**Section 7. Procedures for Obtaining Exemption.**

- A. Any person desiring tax exemption pursuant to this Part should apply to East Pikeland Township at the time a building permit is secured for construction of the improvement or new construction, as the case may be. The application must be in writing, upon forms specified by the Township, setting for the following information:
1. The date the building permit was issued for said improvement or new construction.
  2. The location of the property.
  3. The nature of the property.
  4. The type of improvements or new construction.
  5. The summary of the plan of the improvements or new construction.
  6. The cost of the improvements or new construction.
  7. Whether or not the property has been condemned by any governmental body for noncompliance to laws or ordinances.
  8. The property has been inspected and verified by the Building Official.
- B. A copy of the exemption request shall be forwarded to the County Board of Assessment Appeals by the Building Officials. The Board shall, after completion of construction or improvement, assess separately the new construction or improvement and calculate the amounts of the assessment eligible for tax exemption in accordance with the limits established by this Part and notify the taxpayer and the local taxing authorities of the reassessment and the amounts of the assessment eligible for exemption.
- C. The cost of improvements or new construction to commercial properties to be exempted and the schedule of taxes exempted existing at the time of the initial request for tax exemption shall be applicable to that exemption request, and subsequent amendment to this Part, if any, shall not apply to a request initiated prior to its adoption.
- D. Appeals from the reassessment and the amount eligible for the exemption may be taken by the Township or by the taxpayer as provided by law.

**Section 8. Effectiveness.**

This Part shall become effective upon adoption by the Phoenixville Area School District of resolutions exempting from real property taxation properties in accordance with the terms of this Part.

**Section 9. Amendments.**

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

**Section 10. Termination Date.**

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

**Section 11. Repealer.**

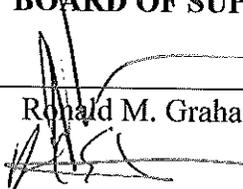
All ordinances or parts of ordinances which are inconsistent herewith are hereby repealed.

**Section 12. Severability.**

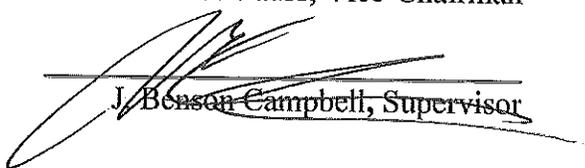
If any sentence, clause, section or part of this ordinance is for any reason found to be unconstitutional, illegal or invalid, such unconstitutionality, illegality or invalidity shall not affect or impair any other remaining provisions, sentences, clauses, sections, or parts of this ordinance.

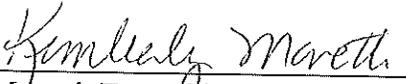
ENACTED AND ORDAINED into an Ordinance this 14th day of December, 2010.

**EAST PIKELAND TOWNSHIP  
BOARD OF SUPERVISORS**

  
\_\_\_\_\_  
Ronald M. Graham, Chairman

  
\_\_\_\_\_  
Russell L. Strauss, Vice-Chairman

  
\_\_\_\_\_  
J. Benson Campbell, Supervisor

ATTEST:   
\_\_\_\_\_  
Kimberly Moretti, Township Manager

SEAL