**ORDINANCE No. 2023-B**

**AN ORDINANCE AUTHORIZING TAX ABATEMENTS FOR PROPERTY TAX ON CERTAIN PROPERTIES WITHIN CONEWAGO TOWNSHIP WHERE IT IS DESIROUS TO ENCOURAGE REVITALIZATION AND PHYSICAL ENHANCEMENTS TO DETERIORATED PROPERTIES**

**WHEREAS**, Pennsylvania's General Assembly passed the Local Economic Revitalization Tax Assistance Law ("LERTA"), 72 P.S. § 4722, *et seq.*, which authorized local taxing authorities to provide tax abatements for certain deteriorated industrial, commercial, and other business property; and

**WHEREAS**, Conewago Township, Adams County, Pennsylvania ("Township") meets the definition of a taxing authority under LERTA; and

**WHEREAS**, the Township's Board of Supervisors ("Board") held a public hearing at which it discussed affixing boundaries of deteriorated areas within its jurisdiction following input from knowledgeable parties interested in the improvement of deteriorated areas; and

**WHEREAS**, the discussed areas contain real properties within the Township that would benefit from a financial incentive in the form of tax abatement to encourage new development and redevelopment; and

**WHEREAS**, the Township Board deems it to be in the best interests of its residents to establish a formal framework and circumstances under which interested parties may seek relief pursuant to LERTA.

**NOW, THEREFORE, BE IT ENACTED AND ORDAINED,** by the Board of Supervisors of Conewago Township, Adams County, Pennsylvania, as follows:

**SECTION 1.** Recitals. The above recitals shall be incorporated herein by reference.

**SECTION 2.** Definitions. As used in this Ordinance, the following words and phrases shall have the meanings set forth below:

A. "Assessed Valuation" means the assessment placed on real property by the County Assessment Office upon which all real estate tax shall be calculated.

B. "Township" means Conewago Township.

C. "County" means Adams County.

D. "School District" means Conewago Valley School District.

E. "Deteriorated Property" means any industrial, commercial or other business property owned by an individual, association or corporation, and located in a deteriorating area, as determined by the Township and as provided for herein, 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.

F. "Improvement" means 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.

G. "Local taxing authority" means the Township, the County, the School District, or any other governmental entity having the authority to levy real property taxes within the Township.

H. "Non-residential Use" means the use, as permitted by the applicable zoning provisions, of a building or structure for commercial, industrial, or manufacturing purposes, or any other activity that is done to further either the development, manufacturing, or distribution of goods and services, including, but not limited to, administration of business activities, research and development, warehousing, shipping, transport, remanufacturing, stockpiling of raw materials, storage, and repair and maintenance of commercial machinery and equipment. This term shall not include schools, nursing homes, or other residential-style facilities or recreational areas.

I. "Occupiable Building Square Footage" means the unit of measurement of an enclosed space which is designed for occupancy of either the residential or non-residential use and available for use by an occupant. This term shall not include parking areas, outdoor common areas, interior common areas such as lobbies, hallways, shared restrooms that are available for non-residential and residential uses. Nor shall it include space in the building which is devoted to its operations and maintenance, including gear rooms, storage rooms, and equipment rooms. Occupiable Building Square Footage is generally measured from "paint to paint" inside the permanent walls and to the middle of partitions separating one user's space from that of other users on the same floor.

J. "Tax Delinquency" means any Township, County, or School District taxes, and interest and penalties thereon, which are delinquent as defined in the Real Estate Tax Sale Law (72 P.S. § 5860.1, *et seq.), i.e.,* taxes, interest and penalties thereon which remain unpaid in full by December 31 of any calendar year in which the tax is levied against the property for which an exemption is claimed, or after an exemption is granted, during the term of the exemption.

K. "Taxpayer" means any natural person, firm, partnership, association, corporation, limited liability company, company, or any other organization of any kind paying property taxes on properties located in the Eligible Area identified in Section 3 of this Ordinance.

**SECTION 3.** Eligible Areas.

A. The Township's Board of Supervisors shall determine and affix the boundaries of deteriorated areas as it identifies such real property through recommendations received at public hearings. All approved resolutions establishing deteriorated areas shall enable Taxpayers to seek relief under this Ordinance.

**SECTION 4.** Exemption Amount.

A. The amount to be exempt from taxes shall be limited to that portion of the additional assessment valuation attributable to the actual cost of new construction or improvements to the deteriorated property, in accordance with the exemption schedule established by this Ordinance.

**SECTION 5.** Exemption Details.

A. The exemption from real property taxes as limited by Section 4 of this Ordinance shall be in the flat amount of (10%) unless otherwise decided by the Board with such reasoning included in the corresponding resolution establishing deteriorated areas.

B. The exemption from real property taxes shall terminate following the tenth year, and the eligible tax exemption shall not exceed a total of ten (10) years.

C. The exemption from real property taxes granted under this Ordinance shall be upon the Property exempted and shall not terminate upon the sale or exchange of the Property.

D. The exemption shall not be granted, and if granted, the exemption shall be revoked, if at the time of application for exemption or during the exemption period, there exists any Tax Delinquency with respect to the Property for which the exemption was granted.

E. In the event of reassessment by the County, the tax exemption shall be proportionally applied to any new assessment so long as the tax abatement period for the property in question has not expired. This application is to ensure that each Deteriorated Property that is granted a tax exemption receives the same percentage of tax benefits before and after any County-wide reassessment.

**SECTION 6.** Rollback of Exemptions.

A. If an eligible property is granted a tax exemption by meeting the total occupiable building square footage requirement pursuant to this Ordinance and subsequently changes the status of the use of the property to an occupiable building square footage use that no longer satisfies such requirement, the eligible property shall be subject to rollback taxes at 6% interest per year of the exempt Assessed Valuation. The rollback tax is the difference in tax based upon the exempt Assessed Valuation under this Ordinance versus the assessed valuation if the property had not been granted a tax exemption, plus 6% simple interest on that difference per year. In addition, the property subject to the rollback shall no longer be eligible for a tax exemption.

**SECTION 7.** Procedure for Obtaining an Exemption.

A. At the time that a building permit is secured for the new construction or improvement for which an exemption is requested, the Taxpayer shall apply to the County Assessment Office for the tax exemption provided in this Ordinance and the corresponding Ordinances. The request for the exemption must be in writing on a form provided by the Assessment Office setting forth, at a minimum, the following information:

(1) The name and address of the property owner;

(2) The County Tax Parcel Identification Number of the property;

(3) The initial assessed valuation of the property;

(4) The current year real estate taxes on the property;

(5) The date the building permit was issued for said new construction or improvement;

(6) The type of new construction or improvement;

(7) A summary of the plan of the new construction or improvement;

(8) The anticipated date of completion;

(9) The cost of the new construction or improvement; and

(10) Any or all such additional information that the County may require.

B. Rules and Regulations. The Assessment Office may adopt rules and regulations, as it deems appropriate, including, but not limited to establishing application requirements, compliance criteria, and other rules and regulations that are consistent with the purpose and intent of this Ordinance.

C. Along with the Taxpayer's request for exemption, the Taxpayer must also sign an agreement, in a form, established by the Assessment Office, acknowledging and agreeing that the Applicant understands and agrees that at all times during the exemption period the Applicant must abide by the terms of this Ordinance and the property shall conform to the requirements of the Ordinance in order to maintain the exemption.

D. Upon completion of the new construction or improvement, the Taxpayer shall notify the Assessment Office in writing so that the Assessment Office may assess the new construction or improvement separately for the purpose of calculating the amounts of Assessed Valuation eligible for tax exemption in accordance with the limits established by this Ordinance.

Such notice must occur no later than 30 days following the issuance of all necessary occupancy permit(s) for the property. Failure to submit notice of completion within 30 days may result in the denial of the exemption for the initial tax year after completion of the improvement(s). The notice of completion shall include, at a minimum, the following information:

(1) Name and address of the property owner;

(2) The County Tax Parcel Identification Number of the property for which the exemption is sought;

(3) The date that the new construction or improvement was completed;

(4) Any modification to the plan of construction or improvement as previously submitted; and

(5) The final, adjusted actual costs of new construction or improvement.

E. The Assessment Office will then establish the Assessed Valuation eligible for exemption and the start date for the new assessment exemption and will notify the Applicant, the County, and the School District.

**SECTION 8.** Appeals.

A. Appeals from the reassessment and the determination of the amounts of Assessed Valuation eligible for exemption may be filed with the County Board of Assessment Appeals.

**SECTION 9.** Termination Date.

A. Unless otherwise repealed by the Township Board, this Ordinance shall expire and terminate after a period of ten (10) years. Nothing contained herein shall act to prohibit the Township from enacting a similar Ordinance, or extending this Ordinance. Any property tax exemption granted under the provisions of this Ordinance shall continue according to the exemption schedule found in this Ordinance even if this Ordinance expires, terminates, is amended, or repealed by the Township Board.

**SECTION 10.** Revocation of Exemption.

A. The exemption from real estate taxes provided for herein shall be forfeited by the applicant or any subsequent owner of the property for the failure to pay any nonexempt real estate taxes by the last day of the time period to pay such taxes in the penalty period. Upon receipt of a notice of nonpayment of nonexempt real estate taxes, the exemption shall be discontinued.

**SECTION 11.** Repealer. All provisions of previous ordinances of Conewago Township, or parts thereof, which are contrary or inconsistent to this Ordinance, are

expressly repealed.

**SECTION 12.** Savings Clause. In all other respects, the provisions of other Conewago Township ordinances shall remain as previously enacted and ordained.

**SECTION 13.** Severability. The provisions of this Ordinance are declared to be severable, and if any section, subsection, sentence, clause or part thereof is, for any reason, held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of any remaining sections, subsections, sentences, clauses or part of this Ordinance.

**SECTION 14.** Effective Date. This Ordinance shall take effect immediately.

**DULY ENACTED AND ORDAINED** this 19 day of June, 2023, by the Board of Supervisors of Conewago Township, Adams County, Pennsylvania.

**ATTEST:**

Tamara Bittle, Secretary

**CONEWAGO TOWNSHIP**

By: Charlotte Shaffer, Chair

(SEAL)