

ORDINANCE NO. 1129

AN ORDINANCE OF THE BOROUGH OF UNION CITY, ERIE COUNTY, PENNSYLVANIA, ENTITLED THE BOROUGH OF UNION CITY TAX ABATEMENT ORDINANCE; GRANTING REAL ESTATE TAX RELIEF FOR PROPERTIES IN DETERIORATED AREAS/NEIGHBORHOODS PURSUANT TO 72 P.S. § 4711-101, ET SEQ. AND 72 P.S. §4722, ET SEQ., AND ITS VARIOUS AMENDMENTS; AND PROVIDING FOR REAL ESTATE TAX ABATEMENT FOR COMMERCIAL, BUSINESS AND INDUSTRIAL PROPERTIES AND FOR REAL ESTATE TAX ABATEMENT FOR RESIDENTIAL CONSTRUCTION AND IMPROVEMENTS WITHIN THE BOROUGH; PROVIDING FOR AN EFFECTIVE DATE, SEVERABILITY AND A REPEALER.

Whereas, the Commonwealth of Pennsylvania adopted an Act known as the “Improvement of Deteriorating Real Property or Areas Tax Exemption Act”, 72 P.S. § 4711-101, *et seq.*, as amended, authorizing local taxing authorities to exempt the increased assessed valuation of the actual cost of new construction or improvements on deteriorated residential property from for a term not to exceed ten years; and

Whereas, the Commonwealth of Pennsylvania adopted an Act known as the “Local Economic Revitalization Tax Assistance Act,” 72 P.S. § 4722, *et seq.*, as amended, authorizing local taxing authorities to exempt the increased assessed valuation of the actual cost of new construction in deteriorated areas of economically depressed communities and improvements to certain deteriorated industrial, commercial, and other business property, not to exceed ten years; and

Whereas, the Borough Council of the Borough of Union City finds that the creation of certain tax exemptions authorized by the Improvement of Deteriorating Real Property or Areas Tax Exemption Act and the Local Economic Revitalization Tax Assistance Act, will have a positive impact upon the development and redevelopment within the Borough of Union City, and

Whereas, the Borough Council of the Borough of Union City, after a public hearing held on February 11, 2020 for the purpose of affixing boundaries of deteriorated areas located within the Borough, has determined that the entire area within the jurisdiction of the Borough of Union City, Erie County, Pennsylvania is determined to be deteriorated as required by 72 P.S. § 4725 and 72 P.S. § 4711-202; and

Whereas, the Borough Council of the Borough of Union City declares that it is in the best interest of the Borough to adopt a Tax Abatement Ordinance providing for certain tax exemptions for the construction and/or improvements of deteriorated residential, industrial, commercial and other business properties within the jurisdiction of the Borough of Union City, Erie County, Pennsylvania.

NOW THEREFORE, IT IS HEREBY ENACTED AND ORDAINED by the Borough Council of the Borough of Union City of the County of Erie, the following:

Section One. Title

This Ordinance shall be known as the "Borough of Union City Tax Abatement Ordinance".

Section Two. Definitions

- (a) "Borough" means the Borough of Union City, Erie County, Pennsylvania.
- (b) "Deteriorated Property Non-Residential" means any industrial, commercial, or other business property owned by an individual, association or corporation, and located within the Borough, 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.
- (c) "Deteriorated Property Residential" means a Dwelling Unit located within the Borough, as hereinafter defined, or a Dwelling Unit which has been or upon request is certified by a health, housing or building inspection agency as unfit for human habitation for rent withholding, or other health or welfare purposes, or has been the subject of an order by such an agency requiring the unit to be vacated, condemned or demolished by reason of noncompliance with laws, ordinances or regulations.
- (d) "Dwelling Unit" means a house, double house or duplex, townhouse or row house, apartment, condominium or any building designed or used as a permanent or temporary living quarters for human habitation. The term includes a "dwelling, multi-family," "dwelling, single-family" and "dwelling, two-family" as those terms are defined by the Borough's Zoning Ordinance, Ordinance No. 910 as amended, adopted on or about December 2, 1986.
- (e) "Improvement" means repair, construction or reconstruction, including alterations and additions, having the effect of rehabilitation of a deteriorated property, either commercial, business, industrial or residential so that its assessed value increases more than the amounts established within this Ordinance, and one of the following: 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.
- (f) "Non-Residential Construction" means the building or erection of structures other than Dwelling Units upon vacant land or land specifically prepared to receive such structures.
- (g) "Real Property Tax or Taxation" means the taxes on real property levied by the Borough of Union City, the Union City Area School District and the County of Erie.

(h) "Residential Construction" means the building or erection of Dwelling Units upon vacant land or land specifically prepared to receive such structures.

Section Three. Exemption

(a) There is hereby exempted from real property taxation the increased assessed valuation of the actual cost of new Construction or Improvements, the increase of which is directly attributable to:

1. Improvements to Deteriorated Property Residential.
2. Improvements to Deteriorated Property Non-Residential.
3. New Residential Construction.
4. New Non-Residential Construction.

(b) The exemption authorized by Subsection (a)(1), (a)(2), (a)(3) and (a)(4) of this Section 3 shall be in the amounts, and in accordance with, the provisions and limitations herein provided.

Section Four. Maximum Exemption

(a) The exemption from real property taxes assessed by the Borough shall be as follows:

1. To all of the additional assessed value, if the additional assessed value is increased at least \$15,000, attributable to the actual cost of Improvements to Deteriorated Property Residential located within the jurisdiction of the Borough.
2. To all of the additional assessed value, if the additional assessed value is increased at least \$25,000, attributable to the actual cost of Improvements to Deteriorated Property Non-Residential located within the jurisdiction of the Borough.
3. To all of the assessed value, attributable to the actual cost of new Residential Construction, if the assessed value increase is at least \$15,000, located within the jurisdiction of the Borough.
4. To all of the assessed value, if at least \$25,000, attributable to the actual cost of new Non-Residential Construction, if the assessed value increase is at least \$25,000, located within the jurisdiction of the Borough.

(b) The date of Improvement shall be the date of issuance of the building permit, improvement record, or other required notification of construction.

(c) In all cases the exemption from taxes shall be limited to that portion of the additional assessment attributable to the actual cost of 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 making an Improvement of, or new Construction on, the property. No tax exemption shall be granted if the property, as completed, does not comply with the minimum standards of the applicable regulations and codes as adopted by the Pennsylvania Uniform Construction Code Act, 35 P.S. §§ 7210.101 *et seq.*, as amended.

(d) In any case, after the effective date of this Ordinance, where Deteriorated Property Non-Residential or Deteriorated Property Residential 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 or Construction that is in excess of the original assessment that existed prior to damage, destruction or demolition of the property.

Section Five. Exemption Schedule

(a) The Real Property Tax exemption for Improvements to Deteriorated Property Residential and Deteriorated Property Non-Residential located within the jurisdiction of the Borough shall be in accordance with the following schedule:

<u>Year of Abatement</u>	<u>Exemption Percentage</u>
1 st year	100%
2 nd year	80%
3 rd year	60%
4 th year	40%
5 th year	20%

After the fifth year the exemption shall terminate.

(b) The Real Property Tax exemption for New Construction Non-Residential and New Construction Residential, located within the jurisdiction of the Borough shall be in accordance with the following schedule:

<u>Year of Abatement</u>	<u>Exemption Percentage</u>
1 st year	100%
2 nd year	80%
3 rd year	60%
4 th year	40%
5 th year	20%

After the fifth year the exemption shall terminate.

Section Six. Deteriorated Area Boundary Descriptions

The areas wherein Real Property Tax abatement is available for improvements to Deteriorated Property Residential and Deteriorated Property Non-Residential and for New

Residential Construction and New Non-Residential Construction shall consist of the entire area within the jurisdiction of the Borough.

Section Seven. Miscellaneous Provisions

(a) 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.

(b) The exemption from Real Property Taxes hereunder shall be forfeited by the applicant and/or 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 Borough Secretary shall direct the County Assessment Officer to discontinue the exemption provided for hereunder.

(c) If an eligible property is granted tax exemption pursuant to this Ordinance, the Improvement shall not, during the exemption period, be considered as a factor in assessing other properties.

Section Eight. Procedure for Obtaining Exemption

(a) Any person desiring tax exemption pursuant to this Ordinance should apply to the Borough of Union City at the time that a building permit is secured for construction of the Improvement or new construction, as the case may be, or at the time of the commencement of construction if no building permit or other notification of Improvement or new construction is required. The application must be in writing upon forms specified by the Borough setting forth the following information:

1. The date the Building Permit was issued for said Improvement or new construction;
2. The location of the property to be Improved or constructed.
3. The type of Improvement or construction (commercial, mixed use, or residential);
4. The summary of the plan of Improvement or construction;
5. The estimated cost of the Improvement or construction;
6. Whether the property has been condemned by any governmental body for non-compliance with laws or Ordinances.
7. Verification that the property has received a proper Zoning permit,
8. Such additional information as the Borough may require.

(b) There shall be on the application form for a building permit, the following notice:

“Notice to Taxpayer.” By Ordinance No. 1129 you may be entitled to exemption from tax on your contemplated improvement or new construction by reassessment. An application for exemption may be secured from the Borough Manager of the Borough of Union City and must be filed at the time the building permit is secured.”

(c) A copy of the exemption request shall be forwarded to the County Board of Assessment Appeals by the Borough Secretary. The Board shall determine whether the exemption shall be granted and shall, upon completion of the Improvement or new construction, and notification from the Borough’s designated Building Code Official that the Improvement or new construction complies with all applicable Building Codes, assess separately the Improvement or new construction and calculate the amounts of the assessment eligible for tax exemption in accordance with the limits established by this Ordinance and notify the taxpayer and the local taxing authorities of the reassessment and amounts of the assessment eligible for exemption. In the case of New Residential Construction, the Board shall assess separately the Dwelling Unit and the land upon which the New Residential Construction stands and shall otherwise perform its duties as above provided for construction of Improvement to residential, mixed use and commercial properties.

(d) The cost of Improvement or new construction Non-Residential Properties or costs of Improvement or new construction of Residential Properties, as the case may be, 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 Ordinance, if any, shall not apply to requests initiated prior to their adoption.

Section Nine. Excluded Properties

This Ordinance and the exemptions granted herein, shall not be available to properties which are, according to the Borough Council, non-conforming uses.

Section Ten. Effective Date

The effective date of this Ordinance shall be 5 days from the date of final passage of related Ordinances or Resolutions by the Union City Area School District and the County of Erie.

Section Eleven. Severability

The provisions of this Ordinance are severable. 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 of the remaining provisions, sentences, clauses, sections or parts of this Ordinance. It is hereby declared as the intent of the Borough Council that this Ordinance would have been adopted had such unconstitutional, illegal, or invalid sentence, clause, section or part thereof not been included herein.

Section Twelve. Repealer

All ordinances or parts thereof conflicting herewith, are hereby repealed.

ORDAINED and ENACTED this 11th day of February, 2020.

ATTEST:

BOROUGH OF UNION CITY

Cindy Wells
Secretary

[Signature]
President

APPROVED this 11th day of February, 2020.

BY: *Natalie Pinback*
Mayor

I hereby certify that the above is a true copy of the Union City Ordinance No. 1129 adopted by the Council of the Borough of Union City on February 11, 2020, and advertised in the Corry Journal on February 1, 2020 and February 8, 2020.

Cindy Wells
Cindy Wells, Borough Secretary

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