

RESOLUTION *2* of 2019

**OF THE BOARD OF DIRECTORS OF THE MID VALLEY SCHOOL DISTRICT
LACKAWANNA COUNTY, PENNSYLVANIA**

**AN ORDINANCE TO PROVIDE FOR TAX EXEMPTION FOR CERTAIN
DETERIORATED INDUSTRIAL, COMMERCIAL OR OTHER BUSINESS
PROPERTY; DEFINING ELIGIBLE DETERIORATED AREAS; SETTING A
MAXIMUM EXEMPTION PERIOD AND STARTING DATE; AND PROVIDING
A PROCEDURE FOR SECURING AN EXEMPTION PURSUANT TO THE
LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE ACT, (LERTA)
72 Pa. C.S. Section 4722, et seq.**

WHEREAS, the General Assembly of the Commonwealth of Pennsylvania passed Act 76 of 1977, subsequently amended this legislation on July 13, 1988, known as the Local Economic Revitalization Tax Assistance Act (LERTA), 72 Pa. C.S. Section 4722, et seq., authorizing local taxing authorities to grant a tax exemption for defined deteriorated industrial, commercial and other business property.

WHEREAS, the Mid Valley School District (the "school district") is a local taxing authority authorized by LERTA to provide tax exception in accordance therewith; and

WHEREAS, prior to the adoption of the within Ordinance authorizing the granting of tax exemptions within the Borough of Olyphant, the Borough Council of the Borough of Olyphant, Lackawanna County, (hereinafter the "Borough") after giving required notice, held a public hearing on May 7th, 2019, for the purpose of determining and affixing the boundaries of the deteriorated area or areas, wholly or partially located within its jurisdiction;

WHEREAS, the School District desires to adopt the findings of the Borough to designate "Deteriorated Property" within the Borough of Olyphant as that term is defined in the Local Economic Revitalization Tax Assistance Act (LERTA), 72 Pa. C.S. Section 4722, et seq., and as defined in the within Ordinance below, eligible for a LERTA tax exemption to this "Deteriorated Property" which "Deteriorated Property" comprises of 964.44 acres of unimproved land and is more specifically identified in Exhibit "A".

NOW THEREFORE, IT HEREBY BE RESOLVED, by the Board of School Directors of the Mid Valley School District, as follows;

SECTION I: DEFINITIONS

A. **Deteriorated Property** means any industrial, commercial or other business property owned by an individual, association or corporation, and located in a deteriorating 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, ordinance or regulations and located within a defined deteriorated area of the Borough;

B. **Improvement** means significant repair, new construction or significant 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 and economic use or amenity, or is brought into compliance with laws, ordinances or regulations governing such standards, but ordinary upkeep and maintenance shall not be deemed an improvement;

SECTION II: EXEMPTION AMOUNT

A. Property taxes on the Deteriorated Property shall be exempted on the increase in assessment attributed to the actual cost of Improvements to the Deteriorated Property for the time period authorized by the Local Economic Revitalization Tax Assistance Act (LERTA), 72 Pa. C.S. Section 4722, et seq., subject to the schedule of exemption authorized by the Borough in a subsequent Ordinance based upon a request for such an exemption.

B. Any exemption granted under the authority of this Ordinance shall be limited to Improvements which have been requested in accordance with this Ordinance, and which have a separate assessment from the Lackawanna County Assessor, separate and distinct from the real property tax assessment, which is not exempt from taxation under the Local Economic Revitalization Tax Assistance Act (LERTA), 72 Pa. C.S. Section 4722, et seq., or the terms of this Ordinance;

SECTION III: EXEMPTION

A. The Borough has determined that the "Deteriorated Property" which is the subject of this Ordinance, and to which this Ordinance pertains, which "Deteriorated Property" comprises of 964.44 acres of unimproved land and is more specifically identified in Exhibit "A" is eligible for a LERTA tax exemption in accordance with the provisions of the Local Economic Revitalization Tax Assistance Act (LERTA), 72 Pa. C.S. Section 4722, et seq.;

B. The Borough shall, in its discretion, by separate Ordinance, grant a tax exemption for any request under the terms of the within Ordinance pursuant to 72 Pa. C.S. Section 4726. In considering any request for such an exemption, whether or not the assessment eligible for exemption is based upon the actual cost or a maximum cost, the actual amount of taxes exempted shall be in accordance with the schedule of taxes exempted established by the Borough consistent with the following limitations:

- (1) The length of the schedule of taxes exempted shall not exceed ten (10) years.
- (2) The schedule of taxes exempted shall stipulate the portion of new construction or improvements to be exempted each year.
- (3) The exemption from taxes shall be limited to the additional assessment valuation attributable to the actual costs of new construction or improvements to deteriorated property or not in excess of the maximum cost per unit established by the Borough.

C. Any tax exemption granted hereunder shall commence upon the first day of the first full tax year following the issuance of the new assessment in connection with the completion of the Improvements and such tax exemption shall continue for a term of ten (10) years from the date thereof. The schedule of real estate taxes to be exempted shall be in accordance with the below portion of Improvements to be exempted each year:

Year 1	95% tax exemption with 5% of the value of the improvements to be paid;
Year 2	90% tax exemption with 10% of the value of the improvements to be paid;
Year 3	85% tax exemption with 15% of the value of the improvements to be paid;
Year 4	80% tax exemption with 20% of the value of the improvements to be paid;
Year 5	75% tax exemption with 25% of the value of the improvements to be paid;
Year 6	70% tax exemption with 30% of the value of the improvements to be paid;
Year 7	65% tax exemption with 35% of the value of the improvements to be paid;
Year 8	60% tax exemption with 40% of the value of the improvements to be paid;
Year 9	55% tax exemption with 45% of the value of the improvements to be paid;
Year 10	50% tax exemption with 50% of the value of the improvements to be paid;

D. The LERTA exemption granted under the Ordinance and this Resolution shall be upon the property and shall not terminate upon the sale or exchange of the property.

E. It is intended that this Resolution concerning the granting of LERTA exemptions shall continue for thirteen (13) years following the issuance of the first Certificate of Occupancy for a new improvement/building within the property described in Exhibit A hereto, which contains total acreage of 964.44.

F. The total assessed value after improvements as determined by the Lackawanna County Assessor shall remain for the duration of the LERTA period and the applicable school district millage rate as set at the time of issuance of an occupancy permit shall not decrease during the duration of the LERTA period but may increase.

SECTION IV: REQUEST FOR EXEMPTION

A. The request for LERTA exemption shall be made on the form attached as Exhibit B to this Ordinance.

B. The request for LERTA exemption shall be made at the time the building permit is requested from the Borough.

C. The request for LERTA exemption shall be made, in writing, to the Borough's Municipal Office, 113 Willow Avenue, Olyphant, PA 18407.

D. A copy of the Request for LERTA Exemption shall be sent to the Lackawanna County Assessor and the Mid-Valley School District by the Borough.

SECTION V: OBTAINING THE EXEMPTION

Upon completion of the Improvement, the property owner shall inform the Borough and the Lackawanna County Assessor in writing that the Improvements are completed. This notice must be given to the Borough so that a Certificate of Occupancy can be issued and to the Lackawanna County Assessor so it may assess the improvements for calculating the new assessment for the property.

SECTION VI: SEVERABILITY

The provisions of this Ordinance are severable. If any paragraph, sentence, provision, clause or portion shall be held to be illegal, invalid or unconstitutional by a court of competent jurisdiction, such illegality, invalidity or unconstitutionality shall not affect or impair any of the remaining paragraphs, sentences, provisions, clauses or portions of this Ordinance. It is hereby declared to be the intent of the Olyphant Borough Council that this Ordinance would have been adopted had the illegal, invalid or unconstitutional paragraph, sentence, provision, clause or portion not been included.

SECTION VII: EFFECTIVE DATE

This Resolution shall become effective on the date of its enactment.

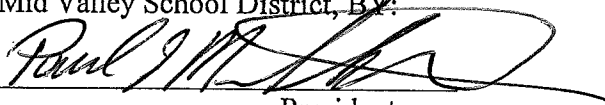
ORDAINED AND ENACTED by the Directors of the Mid Valley School District on this 14 day of August, 2019.

ATTEST:

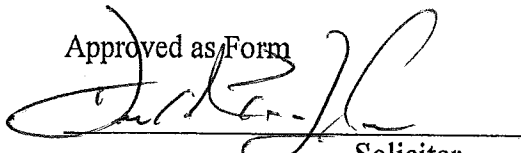


, Secretary

Mid Valley School District, BY:



, President

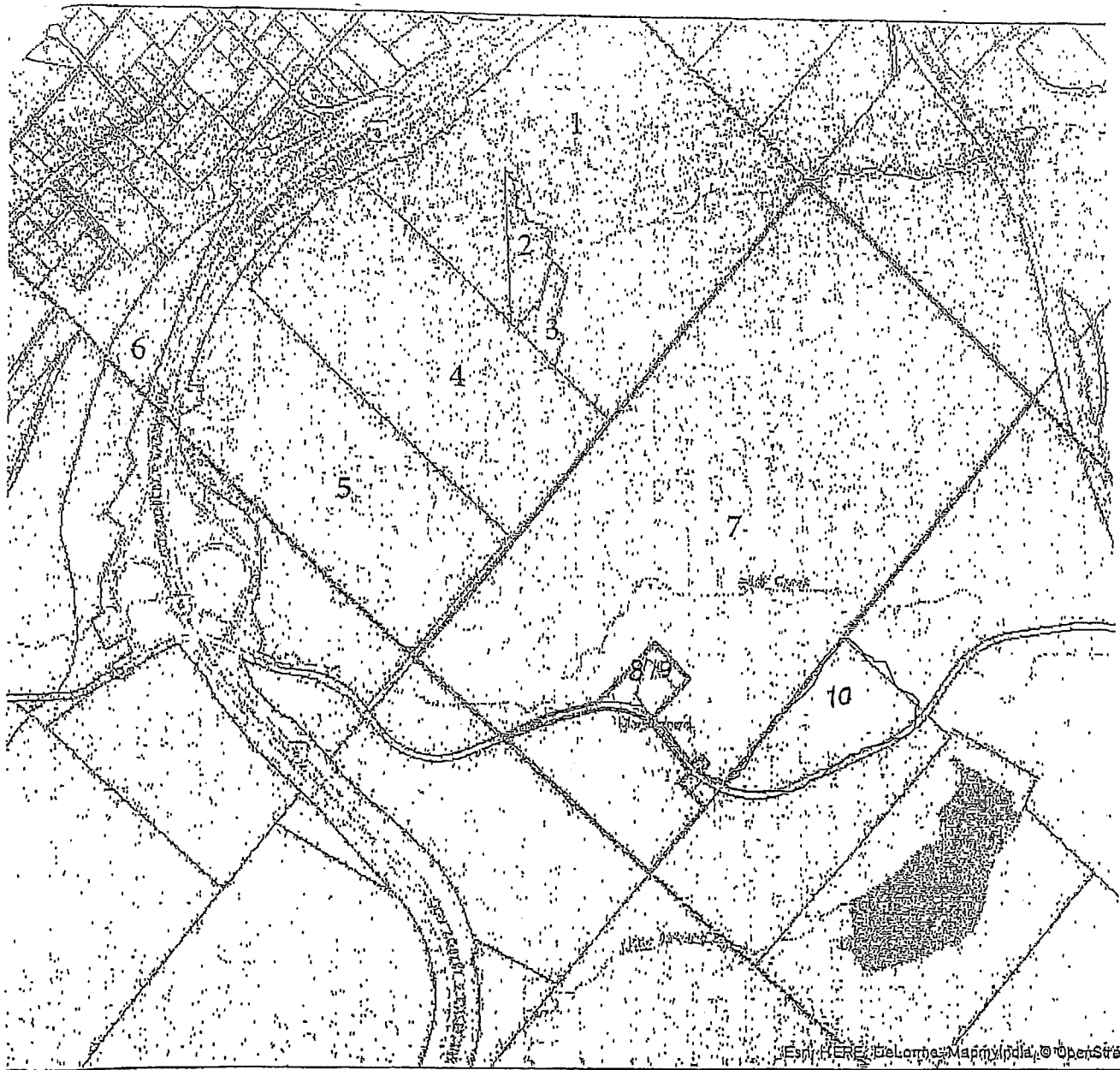
Approved as Form


, Solicitor

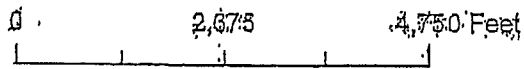
MAP #	CURRENT OWNER	PIN	ACRES
1	DavLisa	12601010001	197.94
2	SOEHL Shanno & MeissnerJ	12603010001	10.2
3	Deloma Coal Co.	12603010002	5.4
4	Sebastianelli Joe & Fabri E & R JR	12603010003	125
5	DavLisa	12504030001	136.2
6	DavLisa	13602010008	25
7	DavLisa	13701010001	425
8	IBS, LLC	1370101000101	3.7
9	IBS, LLC	1370101000102	3
10	Theta	13704010002	<u>33</u>

Total Acreage 964.44

EXHIBIT A – Page 1



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Disclaimer:
The Cal
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EXHIBIT A – Page 2

**BOROUGH OF OLYPHANT
LACKAWANNA COUNTY, PENNSYLVANIA**

**REQUEST FOR EXEMPTION
LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE ACT, (LERTA)
72 Pa. C.S. §4722 et seq.**

**EXEMPTION FOR ELIGIBLE PROPERTIES IN
DETERIORATED AREAS**

DATE:

APPLICANT:

PROPERTY:

EXEMPTION AMOUNT:

PERIOD OF TIME:

EXHIBIT B