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ORDINANCE NO. 164

**AN ORDINANCE OF THE TOWNSHIP OF SHEFFIELD,
PENNSYLVANIA, ENTITLED THE “TOWNSHIP OF
SHEFFIELD TAX RELIEF AND REDEVELOPMENT ACT”;
GRANTING REAL ESTATE TAX RELIEF FOR PROPERTIES IN
DETERIORATED AREAS/NEIGHBORHOODS PURSUANT TO
72 P.S. § 4711-01, 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 SHEFFIELD TOWNSHIP**

WHEREAS, the Commonwealth of Pennsylvania adopted an Act known as the “Improvement of Deteriorating Real Property or Areas Tax Exemption Act”, 72 P.S. § 4711-01, *et seq.*, as amended, authorizing local taxing authorities to exempt the increased assessed valuation of the actual cost of new construction or improvements for deteriorated residential property and deteriorated areas 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 improvements to certain deteriorated industrial, commercial, and other business property, and new construction of industrial, commercial, and other business property in deteriorated areas of economically depressed communities, not to exceed ten years; and

WHEREAS, the Board of Township Supervisors of the Township of Sheffield 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 Township of Sheffield; and

WHEREAS, the Board of Township Supervisors of the Township of Sheffield, after a public hearing held on Thursday, October 3, 2019 for the purpose of affixing boundaries of deteriorated areas located within the Township has determined that that the entire area within the jurisdiction of Township of Sheffield, Warren County, Pennsylvania, is determined to be deteriorated as described in 72 P.S. §4725 and 72 P.S. §4711-202; and

WHEREAS, the Board of Township Supervisors of the Township of Sheffield declares that it is in the best interest of the Township 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 Investment Opportunity Area outlined herein.

NOW, THEREFORE, IT IS HEREBY ENACTED AND ORDAINED by the Board of Township Supervisors of the Township of Sheffield of the County of Warren, Pennsylvania, the following:

48 **SECTION ONE. TITLE**

49
50 This Ordinance shall be known as the “Township of Sheffield Tax Relief and Redevelopment Act.”

51
52 **SECTION TWO. DEFINITIONS**

- 53
54 (a) “Township” means the Township of Sheffield, Warren County, Pennsylvania.
- 55
56 (b) “Deteriorated Property Non-Residential” means any industrial, commercial, or other business
57 property owned by an individual, association or corporation, and located in an Investment
58 Opportunity Area, or any such property within the Investment Opportunity Area which has
59 been the subject of an order by a government agency requiring the unit to be vacated,
60 condemned, or demolished by reason of noncompliance with laws, ordinances, or regulations.
- 61
62 (c) “Deteriorated Property Residential” means a Dwelling Unit located in an Investment
63 Opportunity Area, as herein after defined, or a Dwelling Unit which has been or upon request
64 is certified by a health, housing, or building inspection agency as unfit for human habitation
65 for rent withholding, or other health or welfare purposes, or has been the subject of an order
66 by such an agency requiring the unit to be vacated, condemned, or demolished by reason of
67 noncompliance with laws, ordinances, and regulations.
- 68
69 (d) “Dwelling Unit” means a house, double house, or duplex, townhouse, or row house,
70 apartment, condominium, or any building designed or used as a permanent or temporary
71 living quarters for human habitation by an individual, a family, or families, or other persons
72 which contain a kitchen or cooking equipment for the exclusive use of the occupant or
73 occupants, and may contain a residential garage if included as an integral part of the same
74 building.
- 75
76 (e) “Investment Opportunity Area” means all that area within the boundaries of the Township of
77 Sheffield, Pennsylvania which have been found after public hearing and notice to be
78 “deteriorated areas” or “deteriorated neighborhoods” for the purposes of the “Improvement of
79 Deteriorating Real Property or Areas Tax Exemption Act”, 72 P.S. § 4711-01, *et seq.* and the
80 “Local Economic Revitalization Tax Assistance Act,” 72 P.S. § 4722, *et seq.*
- 81
82 (f) “Improvement” means repair, construction or reconstruction, including alterations and
83 additions, having the effect of rehabilitating a deteriorated property so that it becomes
84 habitable or attains higher standards of safety, health, economic use or amenity, or is brought
85 into compliance with laws, ordinances or regulations governing such standards. Ordinary
86 upkeep and maintenance shall not be deemed an improvement.
- 87
88 (g) “Non-Residential Construction” means the building or erection of structures other than
89 Dwelling Units upon vacant land or land specifically prepared to receive such structures.
- 90
91 (h) “Real Property Tax or Taxation” means the taxes on real property levied in the Investment
92 Opportunity Area by the Township of Sheffield, Pennsylvania.
- 93
94 (i) “Residential Construction” means the building or erection of Dwelling Units upon vacant
95 land or land specifically prepared to receive such structures.
- 96
97
98

99 **SECTION THREE. EXEMPTION**

- 100
101 (a) There is hereby exempted from real property taxation the increased assessed valuation of the
102 actual cost of New Construction or Improvements, the increase of which is directly
103 attributable to:
104
105 1. Improvements to Deteriorated Property Residential;
106
107 2. Improvements to Deteriorated Property Non-Residential;
108
109 3. New Residential Construction;
110
111 4. New Non-Residential Construction.
112
113 (b) The exemption authorized by subsection (a)(1), (a)(2), (a)(3), and (a)(4) of this section three
114 shall be in the amounts, and in accordance with, the provisions and limitations herein
115 provided.
116

117 **SECTION FOUR: EXEMPTION LIMITATIONS**

- 118
119 (a) The exemption from real property taxation under this Ordinance shall be limited to that
120 portion of the increased assessment directly attributed to the actual cost of eligible New
121 Construction or Improvements provided herein.
122
123 (b) The date of Improvement shall be for Residential Construction, the date of issuance of the
124 building permit, improvement record, or other required notification of construction, and for
125 Nonresidential Construction, from the completion of the Improvement or New Construction.
126
127 (c) In all cases the exemption from taxes shall be limited to that portion of the additional
128 assessment attributable to the actual cost of the Improvement or New Construction, as the
129 case may be, and for which a separate assessment has been made by the County Board of
130 Assessment Appeals and for which an exemption has been separately requested. No tax
131 exemption shall be granted if the property owner does not secure the necessary and proper
132 permits prior to making an Improvement of, or new Construction on, the property. No tax
133 exemption shall be granted if the property, as completed, does not comply with the minimum
134 standards of the applicable regulations and codes as adopted by the Pennsylvania Uniform
135 Construction Code Act, 35 P.S. §§7210.1010 *et seq.*, as amended.
136
137 (d) In any case, after the effective date of this Ordinance, where Deteriorated Property Non-
138 Residential or Deteriorated Property Residential is damaged, destroyed, or demolished by any
139 cause or for any reason, and the assessed valuation of the property affected has been reduced
140 as a result of said damage, destruction, or demolition, the exemption from real property
141 taxation authorized by the Ordinance shall be limited to that portion of new assessment
142 attributable to the actual cost of Improvement or Construction that is in excess of the original
143 assessment that existed prior to the damage, destruction or demolition of the property.
144
145

146 **SECTION FIVE. EXEMPTION SCHEDULE.**

- 147
148 (a) The Real Property Tax exemption for Improvements to Deteriorated Property Residential and
149 Deteriorated Property Non-Residential located within the jurisdiction of the Investment
150 Opportunity Area shall be in accordance with the following schedule:

151

<u>Year of Abatement</u>	<u>Exemption Percentage</u>
152 1 st Year	100%
153 2 nd Year	100%
154 3 rd Year	100%
155 4 th Year	100%
156 5 th Year	100%

157 After the 5th Year the exemption shall terminate.
158

- 159
160 (b) The Real Property Tax exemption for New Construction Non-Residential and New
161 Construction Residential, located within the jurisdiction of the Investment Opportunity Area
162 shall be in accordance with the following schedule:

163

<u>Year of Abatement</u>	<u>Exemption Percentage</u>
164 1 st Year	100%
165 2 nd Year	100%
166 3 rd Year	100%
167 4 th Year	100%
168 5 th Year	100%

169 After the 5th Year the exemption shall terminate.
170

171
172
173 **SECTION SIX. DETERIORATED AREA BOUNDARY DESCRIPTION**

174
175 The areas wherein Real Property Tax Abatement is available is for improvements to Deteriorated
176 Property Residential and Deteriorated Property Non-Residential and for New Residential Construction
177 and New Non-Residential Construction shall consist of the entire area within the jurisdiction of Sheffield
178 Township.
179

180 **SECTION SEVEN. SUNSET PROVISIONS**

181
182 This Ordinance shall expire on December 31, 2029, unless extended by ordinance duly adopted, except
183 that it shall survive to the extent necessary to preserve or enforce the rights of any applicant, property
184 owner, or local taxing authority as herein passed or amended. Any applicant for tax abatement must have
185 a building permit to be eligible for tax abatement treatment hereunder, with that permit having been
186 issued on, or before, the 31st day of December 2029.
187

188 **SECTION EIGHT. MISCELLANEOUS PROVISIONS**

- 189
190 (a) The exemption from Real Property Taxes granted under this Ordinance shall be upon the
191 property exempted and shall not terminate upon the sale or exchange of the property.
192
193 (b) The exemption from Real Property Taxes hereunder shall be forfeited by the applicant and/or
194 the subsequent owner of the real estate for failure to pay nonexempt real estate taxes by their
195 due date, i.e. the last date upon which taxes may be paid without penalty. Upon receipt of

196 notice of nonpayment of nonexempt real estate taxes, the County's Administration shall
197 direct the County Assessment Officer to discontinue the exemption provided for hereunder.
198

- 199 (c) If an eligible property is granted tax exemption pursuant to this Ordinance, the Improvement
200 shall not, during the exemption period, be considered as a factor in assessing other properties.
201

202 **SECTION NINE. PROCEDURE FOR OBTAINING EXEMPTION**
203

- 204 (a) Any person desiring tax exemption pursuant to this Ordinance should apply to the appropriate
205 municipality within the Investment Opportunity Area at the time that a building permit is
206 secured for construction of the Improvement or New Construction, as the case may be, or at
207 the time of the commencement of construction if no building permit or other notification of
208 Improvement or New Construction is required. The application must be in writing upon
209 forms specified by the proper municipality in the Investment Opportunity Area setting forth
210 the following information:
211

- 212 1. The date the Building Permit was issued for said Improvement or new
213 construction;
- 214 2. The location of the property to be Improved or Constructed;
- 215 3. The type of Improvement or Construction (commercial, mixed use, or
216 residential);
- 217 4. The summary of the plan of Improvement or Construction;
- 218 5. The estimated cost of the Improvement or Construction;
- 219 6. Whether the property has been condemned by any governmental body for non-
220 compliance with laws or ordinances;
- 221 7. Verification that the property has received a proper Zoning Permit;
- 222 8. Such additional information as the municipality may require.
223

- 231 (b) There shall be on the application form for a building permit a notice from the relevant
232 municipality informing the requestor of the permit of the availability of tax abatement
233 pursuant to this ordinance and the accompanying ordinances by the other taxing bodies.
234

- 235 (c) A copy of the exemption request shall be forwarded to the County Board of Assessment
236 Appeals by the municipal Secretary. The Board shall determine whether the exemption shall
237 be granted and shall, upon completion of the Improvement or New Construction, and
238 notification from the municipality's designated Building Code Official that the Improvement
239 or new construction complies with all applicable Building Codes, assess separately the
240 Improvement or New Construction and calculate the amounts of the assessment eligible for
241 tax exemption in accordance with the limits established by this Ordinance and notify the
242 taxpayer and the local taxing authorities of the reassessment and amounts of the assessment
243 eligible for exemption, which exemption will commence in the following tax year. In the case
244 of New Residential Construction, the Board shall assess separately the Dwelling Unit and the
245 land upon which the New Residential Construction stands and shall otherwise perform its

246 duties as above provided for construction or Improvement to residential, mixed use, and
247 commercial properties.

248
249 (d) It shall be the applicant’s responsibility to report on the completion of the project through
250 written notification to the County Assessment Department by physical or electronic mail. If
251 the applicant does not notify the Assessment Office within 60 days of the completion of the
252 project, the tax exemption application shall be considered void and the property may be
253 subject to reassessment. The section does not alter or negate any requirement to notify a
254 municipality of the completion of construction pursuant to any other ordinance relating to
255 building construction.

256
257 A project will be completed when an Occupancy Permit is issued by the proper municipal
258 authority, or construction is completed, or any new structure outlined in the original
259 application is being utilized for either residential or commercial purposes.

260
261 (e) The subsequent amendment of this Ordinance, if any, shall not apply to the schedule of taxes
262 exempted to any Improvement or New Construction of any Residential or Non-Residential
263 properties, or to any request initiated prior to the adoption of said amendment.

264
265 **SECTION ELEVEN. EFFECTIVE DATE**

266
267 The effective date of this Ordinance shall be five days from the date of final passage of related
268 Ordinances or Resolutions by the Warren County School District.

269
270 **SECTION TWELVE. REPEALER**

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

272
273
274 ORDAINED and ENACTED this 21st day of October, 2019.

275
276 TOWNSHIP OF SHEFFIELD

277
278 ATTEST:

279
280 _____
281 Secretary

280 _____
281 Chairperson/Supervisor

282
283 _____
284 Supervisor

285
286 _____
287 Supervisor