

ORDINANCE NO. 1036
BOROUGH OF HATBORO
MONTGOMERY COUNTY, PENNSYLVANIA

**AN ORDINANCE AMENDING CHAPTER 24, "TAXATION;
SPECIAL" OF THE BOROUGH OF HATBORO CODE OF
ORDINANCES, TO CREATE PART 6, TITLED "LOCAL
ECONOMIC REVITALIZATION TAX ASSISTANCE ACT",
AND PROVIDING FOR AN EXEMPTION SCHEDULE AND
ESTABLISHING STANDARDS AND QUALIFICATIONS
FOR PARTICIPANTS PURSUANT TO THE LOCAL
ECONOMIC REVITALIZATION TAX ASSISTANCE ACT
("LERTA").**

WHEREAS, the Borough Code, 53 P.S. § 45101, *et seq.*, authorizes the Borough Council of the Borough of Hatboro ("Borough Council") to make, adopt, and amend ordinances that are consistent with the constitution and laws of the Commonwealth when necessary for the proper management, care and control of the Borough and the maintenance of peace, good government, health and welfare of the Borough of Hatboro ("Borough") and its citizens;

WHEREAS, the Borough is a local taxing authority, authorized by the Local Economic Revitalization Tax Assistance Act, the Act of December 1, 1977, P.L. 237, No. 76, (72 P.S. §4722 *et seq.*) to provide tax exemption for new construction in deteriorated areas of economically depressed communities and for improvements to certain deteriorated industrial, commercial and other business properties; and

WHEREAS, the Borough Council held a public hearing on July 25, 2016 for the purpose of determining the boundaries of deteriorated areas within the Borough and enacted Ordinance No. 1035; and

WHEREAS, the Borough Council desires to encourage new residential, industrial, commercial, and business development in these deteriorated areas through the use of tax exemptions;

NOW, THEREFORE, BE IT ORDAINED AND ENACTED by the Borough Council of the Borough of Hatboro, Montgomery County, Pennsylvania, and it is hereby enacted and ordained by the authority of same as follows:

SECTION 1. CODE AMENDMENTS. THE BOROUGH OF HATBORO CODE OF ORDINANCES, CHAPTER 24, "TAXATION; SPECIAL" IS HEREBY AMENDED AS FOLLOWS:

A. A new part, Part 6, titled "Local Economic Revitalization Tax Assistance Act" is hereby created as follows:

§24-601. Short Title. This Part shall be known as the “Local Economic Revitalization Tax Assistance Act of the Borough of Hatboro.”

§24-602. Definitions. The following words or phrases when used in this Part shall have the meaning ascribed to them in this Section, except where the context clearly indicates a different meaning:

Deteriorated Property - any industrial, commercial or other business property owned by an individual, association, or corporation, and located in a deteriorating area, as provided by ordinance or resolution 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.

Improvement - 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.

§24-603. Designated Area. The Designated Area to which this Part applies is identified as the following tax parcel number, as designated by the Montgomery County Board of Assessment Appeals:

08-00-02632-00-6 (Block 041 Unit 003)

§24-604. Exemptions. The following shall apply to the Designated Area:

- A. The amount to be exempted from real estate taxes shall be limited to that portion of the additional assessment attributable to the actual cost of new construction or improvements to deteriorated property in accordance with the exemption schedule established by this Ordinance.
- B. The exemption from real estate taxes shall be limited to that improvement for which an exemption has been requested in the manner set forth in this Ordinance and for which a separate assessment has been made by the Montgomery County Board of Assessment Office.

§24-605. Exemption Schedule. The following shall apply to the Designated Area:

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

<u>Length (Year)</u>	<u>Portion (Percent)</u>
First	100%
Second	80%
Third	60%
Fourth	40%

Fifth

20%

After the fifth (5th) year, the exemption shall terminate.

- B. If an eligible property is granted a tax exemption pursuant to this Ordinance, the improvement shall not, during the exemption period, be considered as a factor in assessing other properties.
- C. The exemption from taxes granted under this Ordinance shall be upon the property and shall not terminate upon the sale or exchange of the property.
- D. If the use of the property at the time the exemption is granted is modified, terminated or changed during the five (5) year period which in any way would have affected the exemption if the property had been so used when the exemption was granted, then at the election of the Borough, the exemption shall terminate as of the date the use was modified or terminated or the Borough determines that the continuation of the exemption would be inconsistent with the purposes of this Part.

§24-606. Procedure for Obtaining Exemption.

- A. Any person desiring tax exemption under this Ordinance shall notify the Manager and Treasurer of the Borough, as well as the Business Manager of Hatboro-Horsham School District and the appropriate official of the County, in writing on a form provided to the applicant at the time a building permit is secured for new construction or an improvement, or if no building permit or other notification of new construction or improvement is required, at the time construction commences. A copy of the exemption request shall be forwarded to the Montgomery County Board of Assessment Office. The Montgomery County Assessor shall, upon notice by applicant and after completion of the new construction or improvement, assess separately the new construction or improvement and calculate the amount of the assessment eligible for tax exemption in accordance with the limits established by this Part 6 and shall notify the taxpayer, the Borough, the County and the School District of the reassessment and the amount of the assessment eligible for the exemption. Appeals from the reassessment and the amount eligible for the exemption may be taken by the taxpayer or the local taxing authority as provided by law.
- B. The cost of new construction or improvements 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 6, if any, shall not apply to requests initiated prior to their adoption.

- C. Any property with a tax delinquency is not eligible for the relief set forth in this Ordinance.

§24-607. Revocation of LERTA exemption. The exemption from real estate taxes provided for herein shall be forfeited by the applicant and/or any subsequent owner of the real estate 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 the notice of nonpayment of nonexempt real estate taxes, the Borough Treasurer shall discontinue the LERTA exemption.

SECTION 2. REPEALER. All Ordinances or parts of Ordinances inconsistent herewith or in conflict with any of the specific terms enacted hereby, to the extent of said inconsistencies or conflicts, are hereby specifically repealed.

SECTION 3. REVISIONS. The Council of the Borough of Hatboro does hereby reserve the right, from time to time, to adopt modifications of, supplements to, or amendments of its Ordinance, including this provision.

SECTION 4. SEVERABILITY. In the event that any section, sentence, clause, phrase or word of this Ordinance shall be declared illegal, invalid or unconstitutional by any Court of competent jurisdiction, such declaration shall not prevent, preclude or otherwise foreclose enforcement of any of the remaining portions of this Ordinance.

SECTION 5. FAILURE TO ENFORCE NOT A WAIVER. The failure of the Borough of Hatboro to enforce any provision of this Ordinance shall not constitute a waiver by the Borough of its rights of future enforcement hereunder.

SECTION 6. EFFECTIVE DATE. This Ordinance shall take effect immediately and be in force from and after its enactment as provided by law.

SECTION 7. ENACTMENT. Under the authority conferred by the Borough Code and other relevant statutory law, the Council of the Borough of Hatboro in the County of Montgomery, Commonwealth of Pennsylvania does hereby ordain and enact this Ordinance for the Borough of Hatboro, this 20 day of July, 2016.

Approved by the Borough Council of the Borough of Hatboro, this 25 day of July, 2016.

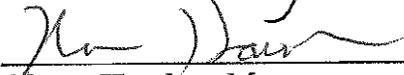
ATTEST:

Alfred Zoller
Alfred Zoller, Secretary

BOROUGH OF HATBORO:

By: William Tompkins
William Tompkins, Council President

Examined and approved as an Ordinance, this 25 day of July, 2016.



Norm Hawkes, Mayor