

CITY OF JOHNSTOWN, PENNSYLVANIA
ORDINANCE NO. 5267

Bill No. 3
of 2019

Introduced in Council
February 13, 2019

AN ORDINANCE OF THE CITY OF JOHNSTOWN, PENNSYLVANIA AUTHORIZING THE ESTABLISHMENT OF A PROPERTY TAX EXEMPTION FOR CERTAIN UNDERUTILIZED, BLIGHTED, OR DETERIORATED INDUSTRIAL, COMMERCIAL, OR OTHER BUSINESS PROPERTY; DEFINING ELIGIBLE AREAS; SETTING A MAXIMUM EXEMPTION AMOUNT; AND AN EXEMPTION SCHEDULE; AND PROVIDING A PROCEDURE FOR SECURING AN EXEMPTION

WHEREAS, the general assembly of the Commonwealth of Pennsylvania has enacted legislation known as the Local Economic Revitalization Tax Assistance Act (LERTA), (Act 76 of 1977, 72 P.S. §4722 et seq.) amended July 11, 1998 (P.L. 518 90) which authorizes local taxing authorities to provide for tax exception for certain deteriorated industrial, commercial, and other business property.

WHEREAS, the Department of Community and Economic Development for the City of Johnstown is ambitious to instrument said LERTA to direct revitalization activity to identified areas within the Moxham Neighborhood in City of Johnstown.

NOW THEREFORE, BE IT IS HEREBY ORDAINED AND ENACTED by the City Council of the City of Johnstown, Pennsylvania, as follows:

SECTION 1 **DEFINITIONS:**

As used in this Ordinance, the following words and phrases shall have the meaning set forth below:

- a. **Act and/or Program:** the Local Economic Revitalization Tax Assessment (LERTA) Act of the Commonwealth of Pennsylvania.
- b. **Designated Area:** the area, as designated herein, and contained within the municipal boundaries of the City of Johnstown.
- c. **Applicable Property:** any industrial, commercial, or other business property owned by an individual, association, or corporation, and located in a underutilized, blighted, or deteriorating area, as designated herein, or any such property which has been the subject of an order by the City of Johnstown, the County of Cambria, and/or the Greater Johnstown School District requiring the

Unit to the vacated, condemned, or demolished by reason of noncompliance with laws, ordinances, or regulations.

- d. Qualified Improvement: the construction of new building structures, repair or substantial renovations to existing structures, having the effect of rehabilitating an underutilized, blighted, or deteriorated property so that it becomes habitable or attains higher standards of safety, health, economic use or amenity, or is brought into compliance with the laws, ordinances, or regulations governing said standards. The qualified improvement shall be such which results in an increase in assessed valuation, scheduled and/or ordinary upkeep and maintenance shall not be deemed a qualified improvement.
- e. Commercial LERTA: Program classification for any applicable property (commercial, industrial, or mixed-use) undergoing qualified improvements.
- f. Residential LERTA: Program classification for any applicable property (residential rentals/apartments/townhouses, or hotels) undergoing qualified improvements. The Program is not intended and shall not be applicable to personal residential residences.
- g. Local Taxing Authority: the City of Johnstown, the Greater Johnstown School District, the County of Cambria, or any other governmental entity having the authority to levy real property taxes within the jurisdiction of the City of Johnstown, Pennsylvania.
- h. Assessment Agency: the Cambria County Tax Assessment Office or any other appropriate assessment agency.

SECTION 2

EXEMPTION AMOUNT:

- a. The amount to be exempted shall be limited to that portion of the additional assessment attributable to the actual cost of improvements.
- b. The exemption shall be limited to that improvement for which an exemption has been requested in the manner set forth below, and for which a separate assessment has been made by the Cambria County Tax Assessment Office

SECTION 3

EXEMPTION SCHEDULE:

All exemptions available hereunder shall be based upon the aggregate cost of each improvement as follows:

- a. The assessed valuation of qualified improvements to an applicable property shall be exempt of real property taxation in accordance with the following schedule and

for the following period of years commencing with the first year which the qualified improvements are assessed for a full calendar year, to-wit:

1. Commercial LERTA

Abatement Period:	10 Years
Assessment Increment Abated:	Year 1 & 2: 100%
	Year 3 & 4: 80%
	Year 5 & 6: 60%
	Year 7 & 8: 40%
	Year 9 & 10: 20%

2. Residential LERTA

Abatement Period:	5 Years
Assessment Increment Abated:	Year 1: 100%
	Year 2: 80%
	Year 3: 60%
	Year 4: 40%
	Year 5: 20%

- b. The City of Johnstown reserves the right to amend this Ordinance or any portion thereof from time to time as it shall deem advisable as in the best interest of the advancement of the purposes and intent of this Ordinance and the effective administration thereof.
- 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. This Ordinance shall become effective immediately upon approval, and unless otherwise repealed by subsequent legislation, this Ordinance shall remain in effect for a period of Eight (8) years from the date of approval. However, as hereinbefore stated, the City of Johnstown reserves the right to amend this Ordinance or repeal this Ordinance at any time. However, any property tax exemptions granted hereunder shall be permitted to continue according to the exemption schedule as set forth in Section 3.

SECTION 4 APPLICATION BY TAXPAYER:

- a. The Taxpayer shall have the obligation to apply for the exemption as set forth herein.
- b. At the time a building permit is secured and issued for the construction of a qualified improvement for which an exemption is requested, the Taxpayer shall

Apply to the City of Johnstown Department of Community and Economic Development or any successor agency thereto, for the exemption provided for in this Ordinance. The request for the exemption must be provided by a completed application, as provided herein, and prescribed by the City of Johnstown.

- c. The applicant shall attest that they have not demolished a structure deemed by the State or City as historically significant in order to construct their facility.
- d. The Taxpayer must have the completed application with requested attachments submitted and filed Ninety (90) calendar days after receiving their building permit.

SECTION 5 PROCEDURE FOR OBTAINING EXEMPTION:

- a. A copy of the approved request of Real Estate Exemption under the applicable LERTA Program shall be forwarded by the City of Johnstown Department of Community and Economic Development to the Cambria County Tax Assessment Office and the Greater Johnstown School District.
- b. The Applicant shall base value of application on market value not to be less than construction cost. Vacancies are not to be considered in valuation.
- c. Upon the completion of the reassessment The Cambria County Tax Assessment Office will notify the Taxpayer of the calculated amount of assessment eligible for tax exemption through the standard (CA) process
- c. Appeals from the reassessment of qualified improvements and the amount eligible for tax exemption may be taken by the Taxpayer as provided by law.

SECTION 6 HEARING BOARD

A Tax Abatement Hearing Board shall consist of the Finance Director of the City of Johnstown (Chair) and a representative to be named by the Greater Johnstown School District and Cambria County, for resolution of differences between the approving authority and the owner-taxpayer of the improved property on matters concerning interpretation and execution of the provisions of the Ordinance.

The Hearing Board shall have the following powers and responsibilities;

- a. To hear appeals from any person aggrieved by the application of this Ordinance.
- b. To make rules with regard to conducting its hearings.
- c. To make findings of fact as may be required by the application of this Ordinance.
- d. To decide questions presented to the Board.
- e. To affirm, revoke, or modify the decision of the City of Johnstown to the eligibility of a particular property for the Property Tax Abatement as provided for in this Ordinance.

- f. The Board shall meet upon Notice of the Chairman within thirty (30) days of the filing of an appeal and shall render its decision within fifteen (15) days after the appeal hearing.
- g. Every action of the Board shall be by resolution and certified copies furnished to the appellant.
- h. All hearings shall be public; and the appellant or any other person whose interests may be affected by the matter on appeal shall be given as opportunity to be heard.

SECTION 7 RULES AND REGULATIONS

The Director of the Department of Community and Economic Development is hereby authorized and empowered to prepare, promulgate, and enforce rules and regulations made pursuant to the provisions of this Ordinance. Such rules and regulations shall have the full force and effect of law unless modified, revoked, or repealed by Council.

SECTION 8 BOUNDARIES:

The boundaries, as designated herein, with the accompanying map submitted by the Johnstown DCED dated February 5, 2019 are hereby affixed as the boundaries of the LERTA Program and all industrial, commercial, or other business properties located therein shall be considered an applicable property of this Ordinance. The boundaries of the LERTA Program or any portion thereof may be changed from time to time as it shall deem advisable as in the best interest of the advancement of the purposes and intent of this Ordinance.

SECTION 9 CONTINGENCY:

Adoption of this Ordinance is not contingent upon the final adoption of Local Economic Revitalization Tax Assistance Act (LERTA) by the Greater Johnstown School District and/or Cambria County.

SECTION 10 DEFAULT

Tax abatement under this Ordinance shall be available only for those properties for which real estate taxes are promptly paid and discharged when due. Any property that is declared delinquent as established by the statutes of the Commonwealth of Pennsylvania shall lose the LERTA benefits and any and all currently due and future taxes shall be due and payable at the full unabated assessment and tax rate.

SECTION 11 APPEAL OF DEFAULT

Properties that have been declared delinquent may appeal the rescission of the LERTA by providing a written request to the Hearing Board providing a basis for the appeal and the justification for the waiver of the requirements of Section 10.

SECTION 12 TERMINATION:

Unless otherwise repealed by subsequent legislation, this Ordinance shall remain effective for a period of eight (8) years from the date of enactment. However, if this Ordinance should subsequently be repealed, any property tax exemptions granted hereunder shall be permitted to continue according to the exemption schedule as set forth in Section 3 herein.

SECTION 13 SEVERABILITY:

If any section, clause, provision or portion of this Ordinance shall be held invalid or unconstitutional by any court of competent jurisdiction, such decision shall not affect any other section, clause, provision, or portion of this Ordinance so long as it remains legally enforceable minus the invalid portion. The City of Johnstown reserves the right to amend this Ordinance from time to time as it shall deemed in the best interest of the purpose and intent of this Ordinance, and the effective administration thereof.

SECTION 10 EFFECTIVE DATE:

This Ordinance shall be in full effect ten (10) days after the publication as required by

PASSED FINALLY IN COUNCIL:


March 13, 2019

By the following vote:

Yeas: Mayor Janakovic, Rev. King, Mrs. Mock, Mr. Vitovich. (4)

Nays: Mrs. Stanton, Mr. Williams. (2)

Absent: Mr. Britt. (1)

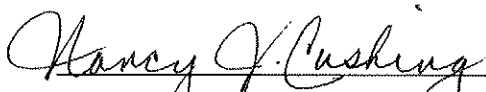


Frank J. Janakovic, Mayor

Marie Mock, Deputy Mayor

ATTEST:

I do hereby certify that the following is a true and correct copy of Ordinance No. 5267 as the same was adopted by the City Council of the City of Johnstown, Pennsylvania.



Nancy J. Cushing, City Clerk