

**RESOLUTION R-2017-93  
LUZERNE COUNTY COUNCIL**

*A Resolution of the County of Luzerne Providing Tax Exemption for New  
Construction in Deteriorated Areas under the Local Economic Revitalization Tax  
Assistance Act*

WHEREAS, under the Local Economic Revitalization Tax Assistance Act (“LERTA”), 72 P.S. §4722 et seq., Luzerne County is a local taxing authority that has the power to provide tax exemption for new construction in “Deteriorated Areas”; and

WHEREAS, under section 2.09.B.2. of the Luzerne County Home Rule Charter, Luzerne County Council has the authority to levy, establish, alter, and/or abolish taxes and assessments except as may be limited by the Home Rule Charter or applicable law; and

WHEREAS, the Hazle Township Board of Supervisors believes that providing tax exemptions under LERTA will encourage new industrial, commercial, and business development in the Deteriorated Areas, and in turn lead to additional tax revenue for Hazle Township, the Hazleton Area School District, and Luzerne County.

WHEREAS, on May 8, 2017, the Hazle Township Board of Supervisors held a public hearing to set the boundaries of the Deteriorated Areas within Hazle Township; and

WHEREAS, subsequent to the public hearing, the Hazle Township Board of Supervisors enacted Resolution #2017-11, dated May 8, 2017, designating Humboldt Industrial Park Lot 103 (a/k/a 440 Forest Road), within Hazle Township, as a Deteriorated Area for the purpose of providing a LERTA exemption to IRIS USA, Inc.; and

WHEREAS, the aforementioned location is within a previously approved Keystone Opportunity Zone (“KOZ”) that expires December 31, 2017; and

WHEREAS, Luzerne County Council also believes that providing tax exemptions under LERTA will encourage new industrial, commercial, and business development in the Deteriorated Areas defined by the Hazle Township Board of Supervisors, and in turn lead to additional tax revenue for Hazle Township, the Hazleton Area School District, and Luzerne County.

NOW, THEREFORE BE IT RESOLVED BY THE LUZERNE COUNTY COUNCIL, as follows:

SECTION ONE. Incorporation of Preamble.

The provisions set forth above in the preamble to this Resolution are incorporated herein by reference in their entirety.

SECTION TWO. Definitions.

The below terms will be defined as follows for the purposes of this Resolution.

2.1 “*Deteriorated Property*” means any industrial, commercial or other business property located in an eligible deteriorating area as defined hereinafter, or any such property which has been the subject of an order of a governmental agency requiring the property to be vacated, condemned or demolished by reason of non-compliance with laws, ordinances or regulations.

2.2 “*Improvement*” means repair, new construction or reconstruction, building alterations or additions, having the effect of rehabilitating 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 or maintenance shall not be deemed an improvement.

2.3 “*Deteriorated Area*” means the real estate located in Hazle Township that the Board of Supervisors designated as a Deteriorated Area in Resolution #2017-11, dated May 8, 2017.

SECTION THREE. Exemptions.

3.1 The amount to be exempted from real estate taxes is limited to that portion of the additional assessment attributable to the actual cost of new construction in the Deteriorated Area or improvements to the Deteriorated Property. The applicant is responsible for paying all applicable Luzerne County taxes not associated with the new improvements.

3.2 The exemption from real estate taxes is limited to improvements or new constructions for which an exemption has been requested in the manner set forth in this Resolution. All other applicable Luzerne County property taxes are not exempt and must be paid.

3.3 The exemption commences on the date that the improvement or new construction is assessed by the Luzerne County Assessor's Office. At that time, the said improvements will be exempt according to the following schedule:

- Year 1: 100% Property Tax Abatement except as referenced above.
- Year 2: 90% Property Tax Abatement except as referenced above.
- Year 3: 80% Property Tax Abatement except as referenced above.
- Year 4: 70% Property Tax Abatement except as referenced above.
- Year 5: 60% Property Tax Abatement except as referenced above.
- Year 6: 50% Property Tax Abatement except as referenced above.
- Year 7: 40% Property Tax Abatement except as referenced above.
- Year 8: 30% Property Tax Abatement except as referenced above.
- Year 9: 20% Property Tax Abatement except as referenced above.
- Year 10: 10% Property Tax Abatement except as referenced above.

In no way shall, the property tax abatement under LERTA continue beyond the 10<sup>th</sup> tax year following the final assessment of eligible real property improvements.

3.4 The exemption from taxes granted under this Resolution does not terminate upon the sale or exchange of the property.

#### SECTION FOUR. Procedure for Obtaining Exemption.

4.1 Any person desiring tax exemption under this Resolution ("Applicant") shall submit an application with the Luzerne County Tax Assessor's Office. The Applicant shall submit the application within forty-five (45) days of receiving the building permit for the improvement or new construction. If the improvement or new construction does not require a building permit, the Applicant shall submit the application within forty-five (45) days of commencing the construction. The application must be in writing and must provide the following information:

- 4.1.1 the name of the owner or owners of the deteriorated area;
- 4.1.2 the date the building permit was issued for the improvement or new construction (if applicable); and

- 4.1.3 the date when the Applicant commenced the construction for the improvement or new construction (if applicable); and
  - 4.1.4 the location of the property including tax parcel identification numbers; and
  - 4.1.5 a brief description of the proposed improvement or new construction; and
  - 4.1.6 estimated costs of the improvement or new construction; and
  - 4.1.7 any other information that Luzerne County may require.
- 4.2 Upon completion of the improvement or new construction, the Applicant shall notify the Luzerne County Tax Assessor's Office by writing that the improvement or new construction is complete. The Luzerne County Tax Assessor's Office shall then separately assess the new construction or improvement and calculate the amount of the assessment eligible for tax exemption in accordance with the limits established by this Resolution. The Luzerne County Tax Assessor's Office shall then notify the Applicant, Hazle Township, Luzerne County, and the Hazleton Area School District of the reassessment and the amount of the assessment eligible for the exemption.
- 4.3 Any Local Taxing Authorities may appeal the reassessment and the amount eligible for exemption as provided by law. Applicant waives the right to appeal any property tax assessment during the LERTA period unless the assessment exceeds \$20M. Applicant's tax assessment appeal rights shall be fully restored after the LERTA period has expired.
- 4.4 The cost of the 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 Resolution, if any, shall not apply to the adoption of any such amendment.

Applicant shall be responsible for paying all applicable County taxes upon the expiration of the KOZ, except as otherwise exempted hereunder.

SECTION FIVE. Termination Date.

An application for exemption may be made at any time within three years from the Effective Date of this Resolution. All qualified applications under this Resolution are eligible for the entire ten year exemption schedule.

SECTION SIX. Extension.

Luzerne County will not extend the time for filing an application for exemption.

SECTION SEVEN. 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, Luzerne County may discontinue the LERTA exemption.

SECTION EIGHT. Amendments.

No amendments to this Resolution are effective unless the Luzerne County Council consents to the amendment by Resolution.

SECTION NINE. Repealer.

This Resolution repeals any other resolution or ordinance inconsistent with this Resolution.

SECTION TEN. Severability.

If any part of this Resolution is unenforceable to any extent for any reason, the rest of the Resolution will remain fully enforceable.

SECTION ELEVEN. Effective Date.

This Resolution shall become effective six (6) days from the date of enactment.

SECTION TWELVE. Further Authorization.

The administration and officials for Luzerne County are directed and authorized to take any action needed to carry out the intent of this Resolution.

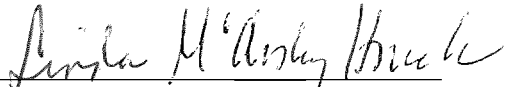
ADOPTED at a meeting of Luzerne County Council held on the 26<sup>th</sup> day of September, 2017.

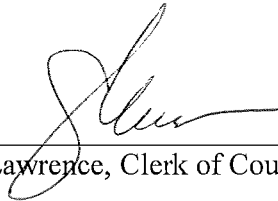
ROLL CALL VOTE (9-2)

YES: Haas, Kelleher, McGinley, Schnee, Sorokas, SA Urban, Waitkus, Williams, and Houck


NO: Brominski and Dobash

LUZERNE COUNTY COUNCIL

By:   
Linda McClosky Houck, Chair

Attest:   
Sharon Lawrence, Clerk of Council

LUZERNE COUNTY MANAGER

By:   
C. David Pedri, Esq., County Manager