



HISTORIC
Bellefonte™
Est. 1795

APPLICATION
FOR EXEMPTION FROM BOROUGH REAL PROPERTY TAXES ON
IMPROVEMENTS TO CERTAIN PROPERTIES AS SPECIFIED IN THE
BOROUGH'S ORDINANCE ADOPTED ON APRIL 4TH, 2022,
PERTAINING TO THE LOCAL ECONOMIC REVITALIZATION TAX
ASSISTANCE (LERTA) PROGRAM

Date Application Submitted: _____

Property Address: _____

Property I.D. #: _____

Property Owner(s): _____
(If joint ownership, list all owners)

Property Owner(s) Mailing Address: _____

Property Owner(s) Telephone Number: _____

Property Owner(s) Email Address: _____

Property Assessment PRIOR to Commencement of Construction: \$ _____
(Attach a copy of current tax assessment or current tax bill)

Estimated Cost of Improvements (the actual cost of the new construction or improvements to
qualify or the exemption must equal or exceed \$75,000.00): \$ _____

Property Assessment AFTER Completion of Construction: \$ _____
*(To be completed by Borough after receipt of notification of separate tax assessment by the
Centre County Board of Assessment Appeals. Copy of the NEW assessment to be attached.)*

I/We, the undersigned owner(s) of the real property identified above, apply for the tax exemption available under the program established by the Borough pursuant to the Pennsylvania Local Economic Revitalization Tax Assistance Act (LERTA), 72 P.S. §4722, et seq. and Improvement of Deteriorating Real Property or Areas Tax Exemption Act, 72 P.S. §4711, et seq. ("LERTA Program") as set forth in Ordinance number 04042022-01, entitled "Local Economic Revitalization Tax Assistance", for the assessed value of the eligible improvements described in the ordinance from any additional assessment (assessed value) for Borough real property taxes that may result from such eligible improvements.

I/We understand that such exemption shall be valid only upon completion of all such eligible improvements and completion of all required applications and approvals for a period not to exceed ten (10) years in accordance with the terms and conditions set forth in the LERTA Ordinance.

I/We are the legal owner(s) of the property identified above and individually and jointly certify to the Borough that:

1. I/We apply in good faith in accordance with the terms and conditions set forth in the LERTA Ordinance and understand that all sections of the adopted LERTA ordinance apply to this application, if approved, throughout the life of the program. If at any time the terms and conditions of the LERTA ordinance are not met, the property will be removed from the program and any tax exemptions will cease.

2. I/We understand that it is our responsibility and obligation to abide by all rules established by the LERTA ordinance.

3. All listed improvements must be completed and a reassessment must take place before any exemption will be granted. The exemption will begin in the tax year that follows the completion of the improvement.

4. All eligible improvement costs must be verified by a PA registered design professional, at the expense of the applicant, in accordance with the LERTA ordinance.

5. All necessary and proper permits, licenses and certificates have been or will be obtained from, and all fees for such permits and certificates have been or will be paid in full to, the Borough prior to commencement of construction of such improvements.

6. All taxes and utility charges against the property are current and will be kept current over the length of the LERTA program.

7. Interim bills are NOT a part of the LERTA program.

8. I/We understand that any exemption granted pursuant to the LERTA Ordinance shall be revoked by the Borough and is automatically forfeited by me/us and/or any subsequent owner(s) of the property upon the occurrence of ANY of the following: (a) the failure to pay in full any non-exempt real estate taxes by the last day of the time period to pay such taxes in the penalty period; (b) the failure to pay when due any amount due and owing to the Borough; (c) the failure to obtain and pay in full all fees for all necessary and proper permits and certificates prior to commencement of construction of the improvements to the property; (d) the failure to comply with the minimum standards established by all applicable laws, ordinances, codes, rules and regulations; and (e) the failure to comply with the provisions of the LERTA Ordinance.

9. I/We have read, understand and agree to be legally bound by all of the provisions set forth in the LERTA Ordinance.

10. I/We verify that all information contained in the application are true and correct to the best of the undersigned 's personal knowledge or information and belief, and made subject to the penalties of 18 Pa.C.S. Section 904 relating to unsworn falsification to authorities.

INDIVIDUAL OWNER(S):

_____(SEAL) _____(SEAL)
Owner (signature) Owner (signature)

Print Name: _____ Print Name: _____
Date: _____ Date: _____

CORPORATE OR OTHER ENTITY OWNER(S):

Corporate / Trust/ Etc. Name

_____(SEAL) _____(SEAL)
Authorized Representative (signature) Authorized Representative (signature)

Print Name: _____ Print Name: _____
Date: _____ Date: _____

BOROUGH AUTHORIZATION:

Authorized Borough Representative

Print Name: _____ Date: _____

PROCEDURAL GUIDELINES FOR LERTA DISTRICT APPLICATION

The following application procedure has been adopted:

- I. Submit application to Bellefonte Borough, 236 West Lamb Street, Bellefonte, PA 16823, c/o Borough Manager.
- II. Obtain Certification from the Borough that the property and the improvement under consideration is eligible for LERTA tax abatement.
- III. Send a copy of the application to:
 - o Centre County Tax Assessment office, 420 Holmes Street, Bellefonte, PA, 16823.
 - o Bellefonte Area School District LERTA District Program, c/o Ken Bean, North Allegheny Street, Bellefonte, PA 16823

<p>Received:</p> <p>Date: _____ Time: _____</p> <p>Borough Staff Initials: _____</p>
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LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE (LERTA) ORDINANCE

ORDINANCE No. 04042022-01

AN ORDINANCE OF THE BOROUGH OF BELLEFONTE, CENTRE COUNTY, PENNSYLVANIA PROVIDING FOR TAX EXEMPTION FOR IMPROVEMENTS TO CERTAIN PROPERTY LOCATED WITHIN THE BOROUGH OF BELLEFONTE PURSUANT TO PENNSYLVANIA ACT 76 OF 1977, and PENNSYLVANIA ACT 34 of 1971; DEFINING THE LERTA DESIGNATED AREA; PROVIDING FOR AN EXEMPTION PERIOD; AND PROVIDING A PROCEDURE FOR SECURING AN EXEMPTION.

WHEREAS, on December 1, 1977, the General Assembly of Pennsylvania passed act 76 of 1977, known as the Local Economic Revitalization Tax Assistance Act of 1971 (72 P.S. §§4722, et seq.) (LERTA) authorizing local taxing authorities to provide for exemption from taxes for certain deteriorated commercial, industrial or other business property; and

WHEREAS, on August 5, 1971, the General Assembly of Pennsylvania passed Act 34 of 1971 (72 P.S. §§4711- 101-4711-305) known as the Improvement of Deteriorating Real Property of Areas Tax Exemption Act, which authorized local taxing authorities to provide tax abatements for certain deteriorated residential property; and

WHEREAS, there are deteriorated commercial, industrial, mixed-use, qualifying residential or other business buildings located within the Borough of Bellefonte; and

WHEREAS, the Council of the Borough of Bellefonte, in accordance with said Act, held a public hearing on January 18, 2022, to determine the boundaries of the designated area; and

NOW, THEREFORE, be it ordained by the Council of the Borough of Bellefonte, Pennsylvania, and it is hereby ordained by the authority of the same as follows:

SECTION 1. DEFINITIONS.

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

- A. "LERTA Designated Area" refers to the boundaries of the Borough of Bellefonte.
- B. "Non-Residential" means any industrial, commercial, non-residential use building, or other business property located in the LERTA Designated Area.
- C. "Residential" as hereinafter defined, means mixed-use (commercial and residential buildings); apartment houses with three or more units; condominium buildings with four or more units.
- D. "Improvement" means repair, construction, or reconstruction, including alterations and additions, having the effect of rehabilitating a building with a minimum actual cost of the improvement being \$75,000, verified by a PA registered design professional. The purpose of the improvement is for the following: the building becomes habitable or attains higher standards of safety, health, economic use, or amenity; it is adaptively re-used; or is brought into compliance with laws, ordinances, or regulations governing such standards; or is new construction in the LERTA

Designated Area.

SECTION II. LERTA DESIGNATED AREA/ELIGIBLE PROPERTIES.

The entire area within the boundaries of the Borough of Bellefonte is hereby designated as the LERTA area subject to exclusions. Properties/uses specifically excluded from the LERTA program are single-family, duplexes, Short-term rental units, and Bed and Breakfast establishments.

SECTION III. ALLOWABLE EXEMPTION.

- a. The properties must be used or adaptively reused in compliance with current permitted uses and cannot be demolished.
- b. The actual cost of the new construction or improvements to a building to qualify for the exemption must be in excess of \$75,000 in order for the property to be eligible for the LERTA tax abatement.
- c. Ordinary upkeep and maintenance – painting, roof replacement, landscaping, deteriorated materials replacement - shall not be deemed an improvement. If this work is included in a project, it shall not be counted toward meeting the minimum investment for program eligibility.
- d. In all cases, the exemption from taxes shall be limited to that portion of the additional assessment attributable to the improvement or new construction, as the case may be, and for which a separate assessment has been made by the County Board of Assessment. No tax exemption shall be granted if the property owner does not secure the necessary and proper permits prior to improving the property, including HARB Certificate of Appropriateness approval (if applicable), zoning, building codes, and borough council (if Applicable). No tax exemption shall be granted if the property, as completed, does not comply with the minimum standards of all applicable Bellefonte Borough Ordinances, Zoning, and Building Codes.
- e. Should there have been any reduction to the assessed value to the property within the two years prior to the application date for exemption, the application shall be denied.
- f. The new assessment value will not be applied to the property until occupancy of the building is granted in accordance with applicable building codes or a fully signed and completed building permit copy is received.
- g. The exemption from taxes hereunder shall be forfeited by the applicant and/or any subsequent owner of the real estate for failure to pay nonexempt real estate taxes by their due date that may be paid without penalty. Upon receipt of notice of nonpayment of nonexempt real estate taxes, the Borough Manager shall direct the County Assessment Office, the School District Business Office and the Borough Finance Department to discontinue the exemption.
- h. In any case, after the effective date of this ordinance, where a property in the LERTA program property is damaged or destroyed, and where the assessed valuation of the property affected has been reduced as a result of said damage, the exemption from real property taxation authorized shall be limited to that portion of new assessment attributable to the actual cost of improvements or construction that is in excess of the original assessment that existed prior to damage.

SECTION IV: EXEMPTION SCHEDULE.

A. For the ten years immediately following the year in which the LERTA application is approved, the following real estate tax exemption schedule shall be in effect:

Length	Portion Exemption
First Year	100%
Second Year	90%
Third Year	80%
Fourth Year	70%
Fifth Year	60%
Sixth Year	50%
Seventh Year	40%
Eighth Year	30%
Ninth Year	20%
Tenth Year	10%

After the tenth year, the exemption shall terminate.

B. The exemption from taxes granted under this ordinance shall be upon the property exempted and shall not terminate upon the sale or exchange of the property.

C. If an eligible property is granted tax exemption pursuant to the ordinance, the exemption shall not, during the exemption period, be considered as a factor in assessing other properties.

D. If the use of the property at the time the exemption is granted is modified, terminated or changed during the ten year exemption period in any way which would have affected the exemption if the property had been so used when the exemption was granted, then, at the election of the Borough Council, the exemption shall terminate as of the date the use was modified or terminated if the Council determines that continuation of the exemption would be inconsistent with the purposes of the ordinance.

SECTION V: PROCEDURE FOR OBTAINING EXEMPTION.

- a. Any person or entity desiring tax exemption pursuant to the LERTA Program must apply to the Borough of Bellefonte prior to or at the time of obtaining a building permit for new construction or improvement. Applicants shall also provide a copy of the exemption request to the Centre County Assessment Office on the same day it is submitted to the Borough. Applicants shall also file a copy of the exemption request with the Business Office of the Bellefonte Area School District.
- b. 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.
- c. The application must be in writing, utilizing the LERTA Program application form, setting forth the following information:
 - (1) The date the building permit was issued for said improvement.

- (2) The location of the property.
 - (3) The current use(s) and proposed use(s) of the property.
 - (4) The type of improvements or new construction.
 - (5) The summary of the plan of the improvements or new construction.
 - (6) The actual cost of the improvements or new construction is verified by a Pennsylvania registered design professional. Improvement costs must exceed \$75,000 with ordinary maintenance expenses not being counted in the \$75,000 minimum.
 - (7) Whether or not the property has been condemned or cited by any governmental body for noncompliance with laws, regulations, and/or ordinances.
 - (8) The property has been inspected and examined by a Pennsylvania registered design professional acting on behalf of the Borough. The cost of such inspection shall be reimbursed to the Borough by the applicant, regardless of whether or not the application is approved.
 - (9) Such additional information as the Borough may require.
- d. The cost of improvements or new construction to be exempted.
 - e. Each applicant for and receiving an exemption under the LERTA Program agrees, that upon completion of the ten-year exemption schedule, not to take any appeals for reassessment for a period of an additional five years unless the property is reassessed by the County of Centre during that five-year period.
 - f. No person or entity, or such person's or entity's subsidiaries, affiliates or other associated holdings, will be eligible for exemption under the LERTA Program unless all property taxes are current, there are no outstanding municipal liens against the property, and all fees for municipal services (including, but not limited to, water, sewer and trash services) are current for all properties such person's or entity's, or such person's or entity's subsidiaries, affiliates or other associated holdings owned in the Borough.
 - g. No assessment appeal reducing the property assessment has been granted within two years prior to the filing of a LERTA application.
 - h. A copy of the exemption request will be forwarded to the County Board of Assessment Appeals by the Borough Manager. Within 60 days, the Board will, after completion of construction, assess separately the improvement and calculate the amounts of the assessment eligible for tax exemption in accordance with the limits established by the LERTA Program and notify the taxpayer and the local taxing authorities of the reassessment and amounts of the assessment eligible for exemption. This reassessment is required by the application of the LERTA abatement, and any applicant applying for the abatement explicitly agrees that it does not constitute a spot reassessment. Reassessment will be applied to the improvement that has been made as part of the LERTA application.

SECTION VI. TERMINATION DATE.

An application for exemption from Borough real estate taxes may be made at any time within five years from the effective date of this Ordinance.

SECTION VII. EXTENSION.

The Borough may, by ordinance enacted from time to time, extend the time for filing an application from exemption from Borough real estate taxes. However, in no event shall anyone's extension period exceed five years.

SECTION VIII. REVOCATION OF EXEMPTION.

The Exemption from Borough real property taxes provided for in this Article shall be forfeited by the application and/or any subsequent owner of the Property and such Exemption shall be revoked by the Borough upon the occurrence of any of the following:

- A. The failure to pay in full any non-exempt 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 non-exempt real property taxes, the Borough Treasurer shall immediately terminate the Exemption.
- B. The failure to pay when due any amount due and owing to the Borough. Upon receipt of notice of nonpayment of any such amount, the Borough Treasurer shall immediately terminate the Exemption.
- C. The failure to obtain and pay in full all fees for all necessary and proper permits, licenses, and certificates prior to commencement of construction of the Improvements to, or occupancy of, the Property.
- D. The failure to comply with the minimum standards established by all applicable laws, ordinances, codes, rules, and regulations.
- E. The failure to comply with the provisions of this Article.

SECTION IX. ANNUAL CAP.

Bellefonte Borough will accept a maximum of five applications per year for the entire LERTA Designated Area. The date of application approval will be used to determine when the annual cap has been reached. The Borough may, by Resolution and concurrence with Bellefonte Area School District and Centre County Government, increase the number of LERTA applications accepted on an annual basis.

SECTION X. SEVERABILITY.

If any provision of this Ordinance shall be determined to be unlawful, invalid, void, or unenforceable, then that provision shall be considered severable from the remaining provisions of this Part, which shall be in full force and effect.

SECTION XI: EFFECTIVE DATE.

This ordinance shall become effective upon adoption by the Bellefonte Area School District and the Centre County Board of Commissioners of a Resolution in accordance with the terms of this ordinance. For LERTA program applications, a period of retroactivity starting on November 1st, 2021, is allowed for a property owner who has obtained a building permit and has not started the improvement. The applicant must otherwise meet all other program eligibility requirements.

SECTION XIII: AMENDMENTS.

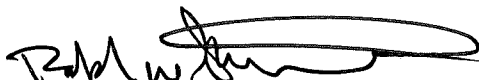
No amendment to this ordinance shall be effective unless consented to by resolution or ordinance at each local taxing authority which has consented to be bound by the terms of this ordinance.


ORDAINED AND ENACTED AS THE LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE (LERTA) ORDINANCE ON THIS 4th DAY of APRIL, 2022, BY THE BOROUGH COUNCIL OF THE BOROUGH OF BELLEFONTE, CENTRE COUNTY, PENNSYLVANIA.

ATTEST:

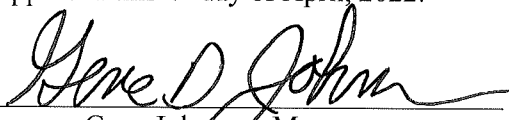
BOROUGH COUNCIL OF

THE BOROUGH OF BELLEFONTE

By: 
Ralph W. Stewart, Secretary

By: 
Randall Brachbill, Council President

Approved this 4th day of April, 2022.


Gene Johnson, Mayor