RESOLUTION

GOVERNOR MIFFLIN SCHOOL DISTRICT

ENACTED FEBRUARY 22, 2022

A RESOLUTION PROVIDING FOR TAX EXEMPTION FOR CERTAIN IMPROVEMENTS TO DETERIORATED PROPERTY IN CUMRU TOWNSHIP PURSUANT TO THE PENNSYLVANIA LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE ACT, DEFINING DETERIORATED PROPERTY, PROVIDING FOR AN EXEMPTION PERIOD, AND ESTABLISHING A SCHEDULE OF PERCENTAGE EXEMPTION FOR THAT TIME PERIOD.

BACKGROUND

WHEREAS, The Governor Mifflin School District (the "District") is local taxing authority, authorized by the Local Economic Revitalization Tax Assistance Act ("LERTA"), 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 in deteriorated areas of economically depressed communities and for improvements to certain deteriorated industrial, commercial and other business properties.

WHEREAS, on February 15, 2022, the Board of Commissioners of Cumru Township ("Township") adopted Ordinance No.772, approving the Township's participation in LERTA, commencing February 15, 2022, and terminating February 15, 2032, and further designating certain parcels of land within the Township's General Industrial Zoning District that are located off of State Route 10 beginning slightly north of the intersection of State Route 10 with State Route 724, being Parcel No. 3953050498160 and Parcel No. 39530520922142, as deteriorated areas, thereby qualifying those areas for tax exemption from the Township's real estate taxes under LERTA.

WHEREAS, the District's Board of School Directors similarly wishes to adopt a LERTA Resolution for the same deteriorated areas designated by the Township, commencing with the effective date of the Township's new LERTA Resolution on February 15, 2022, and terminating coterminous with termination of the Township's LERTA Ordinance on February 15, 2032.

WHEREAS, the District, therefore does hereby enact this Tax Abatement Resolution upon the terms and conditions contained herein.

NOW, THEREFORE, BE IT ORDAINED, By the Board of School Directors of the Governor Mifflin School District, Berks County, Pennsylvania, and it is hereby ordained by the authority of the same as follows:

Section 1. Definitions

A. “Assessed Valuation” means the assessment placed on real property by the Berks County Tax Assessor upon which all real estate taxes shall be calculated.

B. “Deteriorated Property” means any industrial, commercial or other business property owned by an individual, association or corporation, and located in the LERTA Area including, without limitation, 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, resolutions or regulations. Deteriorated property is not intended to include any residential property, whether single family or multifamily.

C. “Improvement” means repair, construction or reconstruction, including alterations and additions and including new construction, having the effect of rehabilitating a Deteriorated Property and one of the following: (i) it attains higher standards of safety, health, economic use or amenity; or (ii) is brought into compliance with laws, resolutions or regulations governing such standards. In connection with any property used in part for an industrial, commercial or other business use and, in part, for a residential use, only the portion of the “Improvement” of the industrial, commercial or other business use portion of the property shall be eligible for the benefits of this Resolution.

D. “LERTA Area” means the parcels of land located in the General Industrial Zoning District of the Township off of State Route 10 within the Township beginning slightly north of the intersection of State Route 10 with State Route 724, being Parcel No. 3953050498160 and Parcel No. 39530520922142.

E. “Local Tax Authority” means District, Township and Berks County.

Section 2. Exemption Area

This Resolution relates to all Deteriorated Property in the LERTA Area, defined above.

Section 3. Exemption

A. There is hereby exempted from all real property taxation assessed by the District the assessed valuation of Improvement to Deteriorated Property.

B. The exemption authorized by Subsection A of this Section 3 shall be in the amounts and in accordance with the provisions and limitations herein provided.

Section 4. Maximum Exemption

A. The exemption from real estate property taxes assessed by the District shall be that portion of the additional assessment attributable to the actual cost of Improvement to Deteriorated

Property. The date of Improvement shall be the date of issuance of the building permit, improvement record or other required notification of construction.

B. In any case, after the effective date of this Resolution where Deteriorated Property is damaged, destroyed or demolished, by any cause or for any reason, and the assessed valuation of the property affected has been reduced as a result of said damage, destruction or demolition, the exemption from real property taxation authorized by this Resolution shall be limited to that portion of new assessment attributable to the actual cost of Improvement that is in excess of the original assessment that existed prior to damage, destruction or demolition of the property.

Section 5. Exemption Schedule

A. The schedule of Real Estate taxes to be exempted for Improvement to Deteriorated Property shall be in accordance with the below portion of Improvement to be exempted each year:

Length	Portion
1st year	100%
2nd year	90%
3rd year	80%
4th year	70%
5th year	60%
6th year	50%
7th year	40%
8th year	30%
9th year	20%
10th year	10%

After the tenth year the exemption shall terminate.

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

C. 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, i.e. the last date upon which taxes may be paid without penalty. Upon receipt of notice of nonpayment of nonexempt real estate taxes, the District shall discontinue the exemption provided for hereunder.

Section 6. Procedure for Obtaining Exemption

A. Any person desiring tax exemption from District real estate taxes under this Resolution shall notify the Manager of the Township, as well as the Chief Financial Officer of the District, in writing on a form provided to the Applicant at the time he/she secures a building permit for the improvement or, if no building or alteration permit is required, then at the time that construction commences.

B. At the time a building or alteration permit is secured for the construction of an Improvement for which an exemption is requested, or at the time construction commences if no permit is required, the taxpayer shall apply to the Township and the District for the exemption provided for in this Resolution. A request for the exemption must be in writing certified in full setting forth the following information:

(1) The date the building permit or alteration permit was issued for said Improvements.

(2) The location of the Property to be improved.

(3) The nature of the Property to be improved.

(4) The type of improvement.

(5) The summary of the plan of the Improvement.

(6) The cost of the Improvement incurred by the owner.

(7) Any and all additional information the Township and/or District may require.

C. A copy of the application for exemption shall be forwarded to the Berks County Board of Assessment Appeals (the "Berks County Tax Assessor") by the District. Upon completion of the Improvements, the taxpayer shall notify the District and the Berks County Tax Assessor, so that the Berks County Tax Assessor can assess the Improvements separately for the purpose of calculating the amount of assessment eligible for tax exemption in accordance with the limits established in this Resolution. The District will then obtain from the Berks County Tax Assessor the amount of the assessment eligible for exemption, and will notify the taxpayer. Appeals from the assessments and the amount eligible for the exemption may be taken by the taxpayer or the District as provided by law. However, after the initial assessment, the applicant waives the right to appeal the assessment for the term of the program or exemption.

D. The District may, by Resolution adopted from time to time, extend the time for filing an application for exemption. However, in no event shall any one (l) extension period exceed three (3) years.

E. No tax exemption shall be granted if the property owner does not secure the necessary and proper permits prior to making an Improvement to the property.

F. No tax exemption shall be granted for any property which has outstanding any notice of violation, citation or similar notice of violation, of any Township property of building code unless such violation is to be remedied in connection with the work constituting the Improvement.

Section 7. Effective Date

This Resolution shall become effective immediately as prescribed by law.

Section 8. Amendments

No amendments to this Resolution shall be effective unless consented to by Resolution or resolution of each local taxing authority who has consented to be bound by the terms of this Resolution.

Section 9. Termination Date

This Resolution shall automatically terminate in ten (10) years following the effective date hereof; provided, however, that any taxpayer who has received or applied for the exemption granted by this Resolution prior to the expiration date herein provided, shall, if said exemption is granted, be entitled to the full exemption authorized herein.

Section 10. Severability

The provisions of this Resolution are not severable, and if any section, sentence, clause, part or provision hereof shall be held to be illegal, invalid or unconstitutional by any court of competent jurisdiction, such decision of the Court shall invalidate the entire Resolution. It is hereby declared to be the intent of the District's Board of School Directors that this Resolution would not have been enacted but for the inclusion of the section, sentence, clause, part or provision found to be illegal, invalid or unconstitutional.

DULY ENACTED THIS 22ND DAY OF FEBRUARY, 2022 BY THE BOARD OF SCHOOL DIRECTORS OF THE GOVERNOR MIFFLIN SCHOOL DISTRICT.

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PRESIDENT, BOARD OF SCHOOL DIRECTORS

DATE:______________ ATTEST:____
SECRETARY, BOARD OF SCHOOL DIRECTORS