

**ORDINANCE
NO. _____**

**AN ORDINANCE OF THE CITY OF WARREN, A HOME RULE MUNICIPALITY,
IN WARREN COUNTY, COMMONWEALTH OF PENNSYLVANIA
AMENDING CHAPTER 424 OF THE CODE OF THE CITY OF WARREN
BY ADDING A NEW ARTICLE IV-A TO BE ENTITLED
DETERIORATING DWELLINGS IMPROVEMENT TAX EXEMPTION AND
BY ADDING A NEW ARTICLE IV-B TO BE ENTITLED
DETERIORATING AREA IMPROVEMENT TAX EXEMPTION**

WHEREAS, the General Assembly of Pennsylvania passed Act 42 of 1977, known as the Improvement of Deteriorating Real Property or Areas Exemption Act (Act 42), which authorized local taxing authorities to provide tax exemption for certain improvements to deteriorated dwellings and for improvements to deteriorated areas by the construction of new dwelling units; and

WHEREAS, throughout the City there are various neighborhoods of blighted property as defined in the Urban Redevelopment Law of 1967, as amended (P.L. 991, No. 385), and that pursuant to Act 42 contain unsafe, unsanitary and overcrowded buildings; vacant, overgrown and unsightly lots of ground; a disproportionate number of tax delinquent properties; excessive land coverage, defective design or arrangement of buildings, street or lot layouts, and economically and socially undesirable land uses; and

WHEREAS, an area can be designated as being deteriorating and decayed even though the area so designated is not a slum consisting exclusively of tangible physical blight; and

WHEREAS, the City Council of the City of Warren deems it advisable and in the best interests of the City to designate the entire City as a deteriorating neighborhood and a deteriorating area and to provide tax exemption for residential improvements and new construction of residential units as provided in Act 42.

NOW, THEREFORE THE CITY OF WARREN ORDAINS, and it is hereby ordained by Warren City Council that:

Section 1: Chapter 424 of the Code of the City of Warren shall be amended by adding thereto a new Article IV-A: Deteriorating Dwellings Improvement Tax Exemption and further amended by adding thereto a new Article IV-B: Deteriorating Area Improvement Tax Exemption.

Section 2: Article IV-A shall read as follows:

**ARTICLE IV-A
DETERIORATING DWELLINGS IMPROVEMENT TAX EXEMPTION**

§ 424-36.1 **Short title.**

This Article shall be known as "The City of Warren Deteriorating Dwellings Improvement Tax Exemption Ordinance."

§ 424-36.2

Definitions.

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

CITY

City of Warren, Warren County, Pennsylvania

DETERIORATED PROPERTY

A dwelling unit located in a deteriorated neighborhood, as herein after provided, or a dwelling unit which has been or upon request is certified by the City's Building Inspector or Code Enforcement Officer (Official) as unfit for human habitation for rent withholding, or other health or welfare purposes, or has been the subject of an order by such official requiring the unit to be vacated, condemned, or demolished by reason of noncompliance with laws, ordinances or regulations.

DWELLING UNIT

A house, apartment, or group of rooms intended for occupancy as separate living quarters by family or other groups or a person living alone, containing a kitchen or cooking equipment for the exclusive use of the occupant(s).

IMPROVEMENT

Repair, construction or reconstruction, including alterations and additions, having the effect of rehabilitating a structure so that it becomes habitable or attains higher standards of housing safety, health or amenity, or is brought into compliance with laws, ordinances or regulations governing housing standards; ordinary upkeep and maintenance shall not be deemed an improvement.

§ 424-36.3

Exemption area.

The entire 3.4 square mile area that comprises the City shall be deemed a deteriorated neighborhood.

§ 424-36.4

Exemption limitations.

- A. The amount to be exempted shall be limited to the additional assessment valuation attributable to the actual cost of improvements to the deteriorated property.
- 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 County of Warren.
- C. If the exempted eligible improvements are destroyed, damaged, or demolished by any cause, or for any reason, the assessed valuation of the property will be reduced as a result of such destruction, damage, or demolition; in such case, the exemption from real property taxes authorized by this Article shall be limited to that portion of the new assessment attributable to the actual cost of the improvement that is in excess of the original

assessment that existed prior to the destruction, damage or demolition of the property.

- D. The exemption from real property taxes as provided for herein shall be forfeited by the applicant and/or the subsequent owner of the real estate for failure to pay non-exempt real estate taxes by their due date, i.e. the last day upon which taxes may be paid without penalty. Upon receipt of a notice of non-payment of non-exempt real estate taxes, the City shall direct the County Assessment Office to discontinue the exemption provided for herein, effective the year that the taxes are delinquent and continuing for the remainder of the exemption period.
- E. If an eligible property is granted tax exemption pursuant to this Article, the improvement shall not, during the exemption period, be considered a factor in assessing other properties.
- F. The cost of improvements to be exempted and the exemption period existing at the time of the initial request for tax exemption shall be applicable to that exemption request, and subsequent amendments to this Article, if any, shall not apply to requests initiated prior to their adoption.

§ 424-36.5 **Exemption schedule.**

- A. The schedule for exemption of taxes on eligible improvements shall be 100% of the taxes due on the eligible improvements for five years, commencing on the date that the Certificate of Occupancy is issued.
- B. The exemption from taxes granted under this Article shall be upon the property and shall not terminate upon the sale or exchange of the property.

§ 424-36.6 **Notice to taxpayers.**

The following shall be placed on the building permit application form:

Notice to Taxpayers

Under the provisions of Ordinance No. ____, you may be entitled to a property tax exemption on your contemplated alteration or new construction. An application for exemption may be secured from the Code Enforcement Office of the City of Warren and must be filed with the City of Warren at the time a building permit is secured.

§ 424-36.7 **Procedure for obtaining exemption.**

- A. Any taxpayer desiring an exemption pursuant to this Article shall apply in writing to each local taxing authority granting such exemption on a form provided by such local taxing authority, at the time a building permit for the project is secured.
- B. At the time a building permit is secured for the construction of improvement for which an exemption is requested, the taxpayer shall apply to the City Manager for the exemption provided for in

this Article. Request for the exemption must be in writing, certified in full as prescribed by the City of Warren, setting forth the following information:

- (1) The date the building permit was issued for said improvement.
 - (2) The type of improvement.
 - (3) The summary of the plan of the improvement.
 - (4) The cost of the improvement.
 - (5) Any and all such additional information required.
- C. A copy of the request for exemption shall be forwarded to the County of Warren Assessment Office by the City Codes Office. Upon completion of the improvement or new construction, the taxpayer shall notify the City Codes Office so that it may have the Assessor 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 Article. The City of Warren will then obtain from the Assessor the amount of the assessment eligible for exemption and will notify the taxpayer. Appeals from the reassessment and the amount eligible for the exemption may be taken by the taxpayer or a local taxing authority as provided by law.

Section3: Article IV-B shall read as follows:

**ARTICLE IV-B
DETERIORATING AREA IMPROVEMENT TAX EXEMPTION**

§ 424.36.8 **Definitions:**

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

CITY

City of Warren, Warren County, Pennsylvania

DETERIORATING AREA

That portion of the municipality which the municipal governing body determines to be physically blighted on the basis of one or more of the following standards:

- (1) The residential buildings, by reason of age, obsolescence, inadequate or outmoded design or physical deterioration have become economic and/or social liabilities.
- (2) The residential buildings are substandard or unsanitary for healthful and safe living purposes.
- (3) The residential buildings are overcrowded, poorly spaced, or are so lacking in light, space and air as to be conducive to unwholesome living.

- (4) The residential buildings are faultily arranged, cover the land to an excessive extent or show a deleterious use of land, or exhibit any combination of the above which is detrimental to health, safety or welfare.
- (5) A significant percentage of buildings used for residential purposes is more than 20 years of age.
- (6) A substantial amount of unimproved, overgrown and unsightly vacant land exists which has remained so for a period of five years or more indicating a growing or total lack of utilization of land for residential purposes.
- (7) A disproportionate number of tax exempt or delinquent properties exists in the area.

DWELLING UNIT

A house, double house or duplex, townhouse or row house, apartment, or any building intended for occupancy as living quarters by an individual, a family or families or other groups of persons, which living quarters contain a kitchen or cooking equipment for the exclusive use of the occupant or occupants.

RESIDENTIAL CONSTRUCTION

The building or erection of dwelling units, as defined above, upon vacant land or land specifically prepared to receive such structures.

§ 424-36.9 Exemption limitations.

- A. The amount to be exempted shall be upon the newly constructed dwelling unit or units exempted.
- B. If the exempted eligible improvements are destroyed, damaged or demolished by any cause, or for any reason, the assessed valuation of the property will be reduced as a result of such destruction, damage or demolition; in such case, the exemption from real property taxes authorized by this Article shall be limited to that portion of the new assessment attributable to the actual cost of the improvement that is in excess of the original assessment that existed prior to the destruction, damage or demolition of the property.
- C. The exemption from real property taxes as provided for herein shall be forfeited by the applicant and/or the subsequent owner of the real estate for failure to pay non-exempt real estate taxes by their due date, i.e. the last day upon which taxes may be paid without penalty. Upon receipt of a notice of non-payment of non-exempt real estate taxes, the City shall direct the County Assessment Office to discontinue the exemption provided for herein, effective the year that the taxes are delinquent and continuing for the remainder of the exemption period.
- D. If a property containing new residential construction is granted tax exemption pursuant to this Article, the property shall not,

during the exemption period, be considered as a factor in assessing the value of other properties in the same area.

- E. The cost of improvements to be exempted and the exemption period existing at the time of the initial request for tax exemption shall be applicable to that exemption request, and subsequent amendments to this Article, if any, shall not apply to requests initiated prior to their adoption.

§ 424-37.10 **Exemption schedule.**

- A. The schedule for exemption of taxes on eligible improvements shall be 100% of the taxes due on the eligible improvements for five years, commencing on the date that a Certificate of Occupancy is issued.
- B. The exemption from taxes granted under this Section shall be upon the property and shall not terminate upon the sale or exchange of the property.

§ 424-36.11 **Notice to taxpayers.**

- A. The following shall be placed on the building permit application form:

Notice to Taxpayers

Under the provisions of Ordinance No. _____, you may be entitled to a property tax exemption on your contemplated alteration or new construction. An application for exemption may be secured from the Code Enforcement Office of the City of Warren and must be filed with the City of Warren at the time a building permit is secured.

§ 424-36.12 **Procedure for obtaining exemption**

- A. Any taxpayer desiring an exemption pursuant to this Article shall apply in writing to each local taxing authority granting such exemption on a form provided by such local taxing authority, at the time a building permit for the project is secured.
- B. At the time a building permit is secured for the construction of improvement for which an exemption is requested, the taxpayer shall apply to the City Manager for the exemption provided for in this Article. Request for the exemption must be in writing, certified in full as prescribed by the City of Warren, setting forth the following information:
 - (1) The date the building permit was issued for said improvement.
 - (2) The type of improvement.
 - (3) The summary of the plan of the improvement.
 - (4) The cost of the improvement.
 - (5) Any and all such additional information required.

- C. A copy of the request for exemption shall be forwarded to the County of Warren Assessment Office by the City Codes Office. Upon completion of the improvement or new construction, the taxpayer shall notify the City Codes Office so that it may have the Assessor 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 Article. The City of Warren will then obtain from the Assessor the amount of the assessment eligible for exemption and will notify the taxpayer. Appeals from the reassessment and the amount eligible for the exemption may be taken by the taxpayer or a local taxing authority, as provided by law.

Section 4: Severability.

The provisions of this ordinance are declared to be severable, and if any section, subsection, sentence, clause or part thereof is, for any reason, held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of any remaining sections, subsections, sentences, clauses, or part of this ordinance.

Section 5: Effective date.

This ordinance shall become effective June 1, 2019.

ORDAINED AND ENACTED this 20th day of May, 2019.

ATTEST:

Teena M. Leary, Assistant City Clerk

Maurice J. Cashman, Mayor

APPROVED AS TO FORM:

Andrea L. Stapleford, City Solicitor

