

**DONEGAL SCHOOL DISTRICT  
LANCASTER COUNTY, PENNSYLVANIA  
RESOLUTION**

A RESOLUTION OF THE DONEGAL SCHOOL DISTRICT, ADOPTING THE LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE PROGRAM PROVIDING FOR TAX EXEMPTION FOR CERTAIN DETERIORATED AREAS WITHIN THE BOROUGH OF MOUNT JOY, PROVIDING FOR AN EXEMPTION SCHEDULE AND ESTABLISHING STANDARDS AND PROCEDURES FOR PARTICIPANTS

**BACKGROUND**

The Donegal School District (the “District”) is a local taxing authority, authorized by the Local Economic Revitalization Tax Assistance Act, the Act of December 1, 1977, P.L. 237, No. 76, 72 P.S. §4722 *et seq.*, (“LERTA”) to provide tax exemption for new construction in deteriorated areas of economically depressed communities and for improvements to certain deteriorated industrial, commercial and other business properties.

On August 1, 2016, the Borough Council of Mount Joy Borough adopted Ordinance No. 4-16, approving Mount Joy Borough’s participation in LERTA, and designating certain areas within Mount Joy Borough as deteriorated areas, thereby qualifying those areas for tax exemption from the Borough’s real estate taxes under LERTA.

The Board of School Directors of Donegal School District similarly believes that LERTA tax incentives will benefit the Mount Joy Borough community and Donegal School District, by encouraging development and job growth within the District, and wishes to designate certain areas within Mount Joy Borough as qualifying for tax exemption from Donegal School District real estate taxes under LERTA, subject to the terms and requirements of this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of School Directors of Donegal School District, Lancaster County, Pennsylvania, as follows:

**Section 1. Definitions.**

The following words and phrases when used in this Resolution shall have the following meaning:

**ASSESSED VALUATION** – The assessment placed on real property by the Lancaster County assessor upon which all real estate taxes shall be calculated.

**BOROUGH** - The Borough of Mount Joy, Lancaster County, Pennsylvania.

**COMMERCIAL** – Any use within the definition of “commercial use” in Chapter 270 of the Borough’s Zoning Ordinance, however a structure containing dwelling units is not a commercial use.

COUNCIL - The governing body formed and assembled as the Council of the Borough of Mount Joy, Lancaster County, Pennsylvania.

DETERIORATED AREA - An area meeting the requirements of the Local Economic Revitalization Tax Assistance Act, 72 P.S. §4722 et seq.

DETERIORATED PROPERTY - Any industrial, commercial or other business property owned by an individual, association, or corporation, and located in a deteriorating area, as hereinafter provided, or 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, ordinances or regulations.

IMPROVED/DEVELOPED PROPERTY – A separately assessed lot which has an assessed valuation for building and improvements greater than \$0.00 on the effective date of this Resolution.

IMPROVEMENT - Repair, construction or reconstruction including alterations and additions having the effect of rehabilitating a deteriorated property so that it becomes usable for commercial, industrial or other business purposes or attains higher standards of safety, health, economic use or amenity for commercial, industrial or other business purposes, or is brought into compliance with laws, ordinances, regulations governing such standards for properties used for commercial, industrial or other business purposes. Ordinary upkeep and maintenance shall not be deemed an improvement. Repair, construction or reconstruction of a property for residential use shall not be considered an improvement under this Resolution.

INDUSTRIAL – Uses included under the subheading “C. Industrial Uses” in the Table of Permitted Uses: Primarily Non-Residential Districts in Chapter 270 on the Borough’s Zoning Ordinance.

LERTA - The Local Economic Revitalization Tax Assistance Act, the Act of December 1, 1977, P.L. 237, No. 76, 72 P.S. §4722 et seq.

LOCAL TAXING AUTHORITY – The Borough, the School District, and Lancaster County.

NEW CONSTRUCTION – Construction on a deteriorated property to enable its use for commercial, industrial or other business purposes.

SCHOOL DISTRICT – The Donegal Area School District.

UNIMPROVED/UNDEVELOPED PROPERTY - A separately assessed lot which has an assessed valuation for buildings and improvements of \$0.00 on the effective date of this Resolution.

**Section 2. Eligible Areas.**

The Board of School Directors for the School District has determined that the lots identified on Attachment 1, attached hereto and incorporated herein, shall be the area which contains and consists of deteriorated properties which are eligible for tax exemption under this Resolution, so long as such properties meet the definition herein for “deteriorated property.”

**Section 3. Exemption.**

- A. The amount to be exempted from School District real estate taxes shall be limited to that portion of the additional assessed valuation attributable to the actual cost of new construction or improvements to deteriorated property in accordance with the exemption schedule established by this Resolution.
- B. The actual cost of the new construction or improvements to qualify for the exemption must equal or exceed \$25,000.00.
- C. The exemption from School District real estate taxes shall be limited to the assessed valuation attributable to the new construction or improvement for which an exemption has been requested in the manner set forth in this Resolution and for which a separate assessment has been made by the Lancaster County assessor.

**Section 4. Exemption Schedule.**

- A. The schedule of the School District real estate taxes to be exempted shall be in accordance with the below portion of the assessed valuation attributable to new construction or improvements to be exempted each year.

For Improved/Developed Properties:

<u>Length (Year)</u>	<u>Portion (Percent)</u>
First (1 <sup>st</sup> )	100
Second (2 <sup>nd</sup> )	90
Third (3 <sup>rd</sup> )	80
Fourth (4 <sup>th</sup> )	70
Fifth (5 <sup>th</sup> )	60
Sixth (6 <sup>th</sup> )	50
Seventh (7 <sup>th</sup> )	40
Eighth (8 <sup>th</sup> )	30
Ninth (9 <sup>th</sup> )	20
Tenth (10 <sup>th</sup> )	10

For Unimproved/Undeveloped Properties:

<u>Length (Year)</u>	<u>Portion (Percent)</u>
First (1 <sup>st</sup> )	100
Second (2 <sup>nd</sup> )	80
Third (3 <sup>rd</sup> )	60
Fourth (4 <sup>th</sup> )	40
Fifth (5 <sup>th</sup> )	20

- B. If an eligible property is granted a School District tax exemption pursuant to this Resolution, the improvement shall not, during the exemption period, be considered as a factor in assessing other properties.
- C. The exemption from School District taxes granted under this Resolution shall be upon the property and shall not terminate upon the sale or exchange of the property.
- D. In the event there is a county-wide assessment of all real property located within Lancaster County, the tax exemption granted hereunder shall remain in effect in accordance with the terms of this Resolution notwithstanding any such reassessment.

**Section 5. Procedure for Obtaining Exemption.**

- A. Any person desiring tax exemption from School District real estate taxes under this Resolution shall notify the Manager and Treasurer of the Borough, as well as the Director of Business Services of the School District, in writing on a form provided to the Applicant at the time he/she secures a building permit for the new construction or improvement. A copy of the exemption request shall be forwarded to the Lancaster County Assessment Office. The Lancaster County assessor shall, upon notice by the Applicant and after completion of the new construction or improvement, assess separately 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 and shall notify the taxpayer, the Borough and the School District of the reassessment and the amount of the assessment eligible for the exemption. 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.
- B. The cost of the new construction or improvements to be exempted from School District real estate taxes under this Resolution and the schedule of School District real estate taxes exempted existing at the time of 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 such amendment.

**Section 6. Termination Date.**

An application for exemption from School District real estate taxes may be made at any time within five (5) years from the effective date of this Resolution. All qualified applications under this Resolution are eligible for the entire ten (10) or five (5) year exemption schedule as applicable.

**Section 7. Extension.**

The School District may, by resolution adopted from time to time, extend the time for filing an application for exemption from School District real estate taxes. However, in no event shall any one (1) extension period exceed five (5) years.

**Section 8. Revocation of LERTA Exemption.**

The exemption from School District real estate taxes provided for herein shall be forfeited by the taxpayer 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, the School District's Business Manager shall discontinue the LERTA exemption.

**Section 9. Severability.**

In the event any provision, section, sentence, clause or part of this Resolution shall be held to be invalid, illegal or unconstitutional by a court of competent jurisdiction, such invalidity, illegality or unconstitutionality shall not affect or impair the remaining provisions, sections, sentences, clauses or parts of this Resolution, it being the intent of the Board of School Directors that the remainder of the Resolution shall be and shall remain in full force and effect.

**Section 10. Effective Date.**

Upon adoption by the Board of School Directors, this Resolution shall take effect and be in force as provided by law.

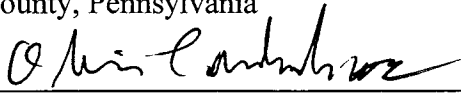
**Section 11. Further Authorization.**

The Donegal School District administration and officials are directed and authorized to take any and all actions necessary or convenient to carry out the intent of this Resolution.

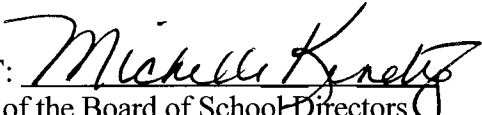
**DULY ADOPTED**, by the Board of School Directors of Donegal School District, in lawful session duly assembled, this 13<sup>th</sup> day of October, 2016.

**DONEGAL SCHOOL DISTRICT**

Lancaster County, Pennsylvania

By: 

President of the Board of School Directors

ATTEST:   
Secretary of the Board of School Directors

(SEAL)