

# CITY OF CORRY

## *Ordinance*

Ordinance No. 1621

Council Bill No. 22-1

Presented by: Mr. Roche

An Ordinance amending Ordinance Number 1322, known as the Local Economic Revitalization Tax Assistance (LERTA) Ordinance.

Be it Ordained, by the City Council of the City of Corry, Erie County, Pennsylvania and it is hereby enacted by authority of the same.

### Section 2 - Definitions:

- a. "Non-residential Property" means any industrial, commercial, or other non-residential business property, owned by an individual, association or corporation which is located in an investment opportunity area as hereinafter provided.
- b. "Residential Property" means a single-family home or multi-family dwelling unit located in an investment opportunity area, as hereinafter provided.
- d. "Improvement" means new residential, multi-residential, industrial, or commercial construction; and repair or reconstruction of the same including alterations and additions, having the effect of improving a property so that it attains higher standards and increases its assessment. Ordinary upkeep and maintenance shall not be deemed an improvement.
- f. "Investment Opportunity Areas (LERTA)" means the areas within the City of Corry as determined by City Council, following a public hearing, which shall be eligible for tax exemption. Under Act 76 of 1977 and Act 42 of 1977.

### Section 5 – Exemption Schedule:

- a. The following Schedule of real estate taxes exempted shall apply to all properties satisfying the provisions and limitations hereinbefore and hereinafter set forth:

	Percentage of Exemption	Percentage of Taxation
Year 1	100%	0%
Year 2	100%	0%
Year 3	100%	0%
Year 4	100%	0%
Year 5	100%	0%
Year 6	100%	0%
Year 7	100%	0%

<b>Year 8</b>	100%	0%
<b>Year 9</b>	100%	0%
<b>Year 10</b>	100%	0%
<b>Year 11 and after</b>	0%	100%

**Section 7- Procedure for Obtaining Exemption:**

a. Any person desiring a tax exemption pursuant to this Ordinance shall apply with the City of Corry via the current application as implemented by the City administration office. Said application shall contain all requested information per Section 7 item b. Application for the LERTA program and related exemptions must be made at the same time zoning and/or building permit applications are applied for with the City of Corry or their approved representative. Retroactive applications shall not be approved for exemption. If no permit is required for the improvements, a full application must be submitted and approved before any work is commenced on the project. If any portion of the project is commenced prior to application and approval then the application shall be rejected and no exemption shall be granted to the applicant.

b. The following notice shall be attached to the Zoning application:

“Notice to Tax Payer: By Ordinance Number 1322 and 1621 and any updates of said ordinance you may be entitled to exemption from tax on your contemplated improvement by reassessment. An application for exemption may be secured from the City of Corry Zoning Officer or other properly designated official and must be filed at the time the zoning application and/or building permit is secured.”

**Section 8- Effect on Zoning Ordinance:**

a. This Ordinance and the exemptions granted herein shall not supersede the provisions of the City of Corry Zoning Ordinance as amended and which remains in place at the time of application. Any property which is within the “Investment Opportunity Area Boundaries” as described herein and which are listed as “non-conforming uses” shall comply with the provisions in the Zoning Ordinance regulating such “non-conforming use”.

**Section 9 – Additional requirements and specifications:**

a. In any case where property (Commercial, Industrial, Multi-residential or Residential) is partially damaged by any cause or for any reason, the exemption from real property taxation shall be limited to the assessment value post repair or renovation that is in excess of the original assessment that existed prior to damage of the property. In the event that a property has been fully demolished by demolition permit and the Erie County assessment bureau has changed the assessed value to reflect the completed demolition land only valuation, then the new assessment value post any new construction less land only assessment value post demolition will be eligible for LERTA assuming all proper permits, applications and fees have been submitted.

b. In order to remain eligible for approval and exemption through this ordinance the applicant must be in good standing with Erie County, the City of Corry, and the Corry School District. The applicant must be compliant to all zoning, planning, and property maintenance statues and ordinances in place at the time of application with all properties contained within the applicable taxing bodies. The applicant must

be up to date with all County, City, and School District property taxes for all property owned within Erie County. (Note: Current is defined as up to date with all due taxation payments with the exception of taxation due within the same calendar year as the application. Any funds owed to the taxing body(ies) from the previous taxing year shall be considered delinquent and non-compliant.)

Properties shall be considered in compliance with the Property Maintenance Code based on review by the Code Compliance Department and said department finding no current violation on record which would include but is not limited to: complaints under current investigation, quality of life tickets for which the issue has not been resolved and/or the ticket remains unpaid, citations for which the issue has not been resolved and/or the citation remains unpaid, or condemnation which remains in place.

The applicant shall include the individual or individuals who hold ownership of the property as well as any other entities which they are associated with in legal partnership including any LLC, INC, trusts, holding firms or similar legal partnerships. An applicant shall not be eligible to receive exemption per this ordinance if said applicant himself, or any of the entities which holds property of which they are a legal partner do not meet the requirements to receive exemption per this ordinance.

**Section 10 – Filing Fees:**

a. At the time of adoption of this ordinance the following fee schedule shall take affect and remain in effect until amended by City Council via update of this ordinance or as designated by the City Fee Schedule.

Nonrefundable Filing Fee Per Application:

Residential and multi-residential projects- \$25

Industrial and commercial projects- \$100

**Section 11 – Investment Opportunity Areas (LERTA):**

Per this update the Investment Opportunity Areas previously established by Schedule “A” shall be expanded to include the City of Corry Municipality in its entirety, thus eliminating the schedule “A” portion of the ordinance in its entirety for all projects entered in to and being applied for after the adoption and implementation of this update.

**Section 12- Existing exemption approvals or denials:**

Previously approved or denied LERTA exemptions shall remain in place for the life of the exemption per the ordinance in place at the time of approval. No exemption shall be updated or retroactively changed due to the update of this ordinance.

**Section 14- Exemption eligibility with examples:**

The exemption from real property taxes shall be limited to the additional assessment attributed to new construction and improvements to all industrial, commercial, residential, and multi-residential properties in the City of Corry. All previously applicable taxable assessment and taxation shall remain in place during the period of exemption.

**Example A:**

Property and land assessment combined for a total taxable assessment of \$80,000. The improvement project being applied for includes \$60,000 in improvements raising the assessed value of the property to \$140,000.

	Percentage of \$80,000 of assessed value used to calculate taxes owed for the year	Percentage of \$60,000 of additional assessed value used to calculate taxes owed for the year
<b>Year 1</b>	100%	0%
<b>Year 2</b>	100%	0%
<b>Year 3</b>	100%	0%
<b>Year 4</b>	100%	0%
<b>Year 5</b>	100%	0%
<b>Year 6</b>	100%	0%
<b>Year 7</b>	100%	0%
<b>Year 8</b>	100%	0%
<b>Year 9</b>	100%	0%
<b>Year 10</b>	100%	0%
<b>Year 11 and after</b>	100%	100%

**Example B:**

Property and land assessment combined for a total taxable assessment of \$20,000. The structure is demolished with all proper permits and the assessment is reduced by Erie County to land only at \$5,000. The improvement project being applied for includes construction of a new structure with \$150,000 in improvements raising the assessed value of the property to \$155,000.

	Percentage of \$5,000 of assessed value used to calculate taxes owed for the year	Percentage of \$150,000 of additional assessed value used to calculate taxes owed for the year
<b>Year 1</b>	100%	0%
<b>Year 2</b>	100%	0%
<b>Year 3</b>	100%	0%
<b>Year 4</b>	100%	0%
<b>Year 5</b>	100%	0%

<b>Year 6</b>	100%	0%
<b>Year 7</b>	100%	0%
<b>Year 8</b>	100%	0%
<b>Year 9</b>	100%	0%
<b>Year 10</b>	100%	0%
<b>Year 11 and after</b>	100%	100%

**Example C:**

Property and land assessment combined for a total taxable assessment of \$80,000. The structure is damaged in a fire. The improvement project being applied for includes repairs and improvements raising the assessed value of the property to \$155,000.

	<b>Percentage of \$80,000 of assessed value used to calculate taxes owed for the year</b>	<b>Percentage of \$75,000 of additional assessed value used to calculate taxes owed for the year</b>
<b>Year 1</b>	100%	0%
<b>Year 2</b>	100%	0%
<b>Year 3</b>	100%	0%
<b>Year 4</b>	100%	0%
<b>Year 5</b>	100%	0%
<b>Year 6</b>	100%	0%
<b>Year 7</b>	100%	0%
<b>Year 8</b>	100%	0%
<b>Year 9</b>	100%	0%
<b>Year 10</b>	100%	0%
<b>Year 11 and after</b>	100%	100%

**Example D:**

Property and land assessment combined for a total taxable assessment of \$80,000. The improvement project being applied for includes \$60,000 in improvements raising the assessed value of the property to only \$120,000. The project did not result in an equivalent increase in assessed value.

	<b>Percentage of \$80,000 of assessed value used to calculate taxes owed for the year</b>	<b>Percentage of \$40,000 of additional assessed value used to calculate taxes owed for the year</b>
<b>Year 1</b>	100%	0%
<b>Year 2</b>	100%	0%
<b>Year 3</b>	100%	0%
<b>Year 4</b>	100%	0%
<b>Year 5</b>	100%	0%

<b>Year 6</b>	100%	0%
<b>Year 7</b>	100%	0%
<b>Year 8</b>	100%	0%
<b>Year 9</b>	100%	0%
<b>Year 10</b>	100%	0%
<b>Year 11 and after</b>	100%	100%

**Example E:**

Property and land assessment combined for a total taxable assessment of \$80,000. The improvement project being applied for includes \$60,000 in improvements raising the assessed value of the property to \$160,000. The project created additional assessed value above and beyond the cost of the project.

	<b>Percentage of \$80,000 of assessed value used to calculate taxes owed for the year</b>	<b>Percentage of \$80,000 of additional assessed value used to calculate taxes owed for the year</b>
<b>Year 1</b>	100%	0%
<b>Year 2</b>	100%	0%
<b>Year 3</b>	100%	0%
<b>Year 4</b>	100%	0%
<b>Year 5</b>	100%	0%
<b>Year 6</b>	100%	0%
<b>Year 7</b>	100%	0%
<b>Year 8</b>	100%	0%
<b>Year 9</b>	100%	0%
<b>Year 10</b>	100%	0%
<b>Year 11 and after</b>	100%	100%

**Section 14 – Severability:**

The provisions of this Ordinance shall be severable and if any of the provisions shall be held invalid, such decision shall not affect the validity of any of the remaining provisions of this Ordinance.

**Section 15 –** All ordinances or parts of ordinances inconsistent herewith are hereby repealed to the extent of such inconsistency.

**Section 16 –** This Ordinance shall become effective on April 15<sup>th</sup> 2022 and ends April 15<sup>th</sup> 2032. Note: If a LERTA application is submitted and approved any time during the LERTA Ordinance is in place, the exemption shall remain in place for the entirety of the 10 years as described within. Example: LERTA application is completed and approved by April 15<sup>th</sup> 2032. The applicant will receive tax exemption benefit as described herein through the full period of 10 years extending to 2042.

Exemption from taxes shall not terminate upon the sale or exchange of the property.


**Ordained and enacted** into law by the City Council of the City of Corry, this 21st day of February, 2022,  
upon second reading in lawful session regularly assembled.

Attest:



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**JOANNE M. SMITH, CITY CLERK**



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**MICHAEL E. BAKER, MAYOR**