

City of Coatesville LERTA Tax Abatement Application



City of Coatesville
 1 City Hall Place
 Coatesville, PA 19320
 Phone: 610-384-0300
 www.coatesville.org

Please submit this application and all relevant documents and materials to the City of Coatesville.

***NOTE: A separate application is needed for each parcel**

*Instructions: Complete Sections 1 and 2. Please print or type when answering questions.

Date Submitted: _____

SECTION 1: APPLICANT INFORMATION

Applicant Name: _____

Applicant Address: _____ **City:** _____ **State:** _____ **Zip:** _____

Phone Number: _____ **Email Address:** _____ **Fax Number:** _____

SECTION 2: PROPERTY INFORMATION

Address of Property: _____ **City:** _____ **State:** _____ **Zip:** _____

Panel Number: _____

Is the property located in the qualified real estate tax exemption area? Yes No

Does the proposal meet the minimum improvement requirements of the LERTA District Yes No

Type improvement: New Construction Repair, construction or reconstruction of existing building(s)

Land Use: Commercial/Industrial Residential Mixed Use

Current Condition of the Property: In Use Condemned Under Vacant Structure Lot

Describe the Planned Improvements: _____

Permit/Cost of improvement Information	
Building Permit Number:	
Date of Approval:	
Estimated Cost of Improvements:	\$
Estimated Start Date:	

Pre-Improvement/Construction Assessment	
Date:	
Land Value:	\$
Building Value:	\$
Total:	\$

"I hereby certify that the statements contained herein are true and correct to the best of my knowledge. I further certify that I am authorized by the owner to make the foregoing application, and that, before I accept any permit, aid, or funding for which this application is made, the owner shall be made aware of all the conditions of this application. I understand that if I knowingly make any false statement herein, I am subject to such penalties as may be prescribed by law."

Applicant Signature: _____ **Date:** _____

FOR OFFICE/OFFICIAL USE ONLY

The undersigned certify that the above described property has been inspected and certified as meeting the minimum standards of the City of Coatesville housing and building codes and that all financial obligations for the property are current as of the approval of this application.

City Official: _____	Date: _____	<input type="checkbox"/> LERTA Approval
Signature & Printed Name		
City Official: _____	Date: _____	<input type="checkbox"/> LERTA Approval
Signature & Printed Name		
School District Official: _____	Date: _____	<input type="checkbox"/> LERTA Approval
Signature & Printed Name		
Chester County Official: _____	Date: _____	<input type="checkbox"/> LERTA Approval
Signature & Printed Name		

City of Coatesville LERTA Tax Abatement Information

NOTICE TO TAXPAYERS

"Under the provisions of Ordinance No. 1563-2022, you may be entitled to a property tax exemption on your contemplated improvement or new construction. An application for exemption may be secured from the City of Coatesville and must be filed with the City at the time in which a building or use registration permit is secured."

ABOUT LERTA

WHAT IS LERTA?

The **Local Economic Revitalization Tax Assistance (LERTA)** program, authorized by Pennsylvania Act 76 of 1977 (*P.L. 237; 72 P.S. § 4722*) and Ordinance No. 1563-2022 by the City of Coatesville Council, is a creative way to encourage owner-driven revitalization and new construction in the City of Coatesville. Properties that qualify for LERTA still pay a local tax but do not see an immediate increase in local real estate taxes based upon the value of improvements made to the property within the LERTA boundary. By not immediately taxing the property owner on improvements made, the City grants property owners the opportunity to recuperate the money used for redevelopment and to stimulate investment into further renovations and improvements.

"Improvement" is defined as repair, construction or reconstruction, including alterations or additions, having the affect of rehabilitating a Deteriorated Property so that it becomes habitable or attains higher standards of safety, health, economic use or amenity, or is brought into compliance with laws, ordinances or regulations governing such standards. Ordinary upkeep and maintenance shall not be deemed an improvement.

HOW DOES LERTA WORK?

The LERTA program creates a graduated increase in tax payments for any LERTA qualifying property located in the designated LERTA district that experiences an increase in the assessed value of the property as a result of an improvement or new construction. **The LERTA abatement does NOT make a property tax-free.** Approved LERTA property owners continue to pay their real estate taxes, but any tax assessment increase to the property will be eligible for the abatement program over the next five (5) years. Real estate taxes on the new improvements/construction will increase at a rate of 20% annually. Property owners will pay 100% of the tax increase for all subsequent years after the fifth and final year of the abatement. Year 1 of tax exemption for a particular approved LERTA property shall commence on January 1 of the year after the year in which completion of construction occurs on that particular approved LERTA property.

APPLYING FOR LERTA

Any property owner desiring tax exemption shall **COMPLETE and SUBMIT a LERTA Tax Abatement Application** to the Coatesville Department of Planning and Municipal Development **PRIOR to the start of construction.** A copy of the exemption request shall then be forwarded to all three local taxing authorities for consideration (*The City of Coatesville, Coatesville Area School District, & Chester County*). Each tax assessment agency shall, after completion of the new construction or improvement, assess separately the new construction or improvement of approved properties and calculate the amounts of the assessment eligible for tax exemption, in accordance with the limits established by the local taxing authorities. The taxpayer and the City will then be notified of the reassessment and amounts of the assessment eligible for exemption under LERTA.

***Improvements that do not result in an increased assessed value on the subject property will not qualify for LERTA.**

***LERTA will only be granted when a LERTA application accompanies a building or use registration permit; benefits WILL NOT be applied retroactively to projects started without the proper permits.**

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EXEMPTION SCHEDULE

A. The schedule of real estate taxes to be exempted shall be in accordance with the following percentages of improvements to be exempted each year, subject to a fifteen-million-dollar maximum.

Length	1 st year	2 nd year	3 rd year	4 th year	5 th year
Exemption	100%	80%	60%	40%	20%

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

LERTA / REDEVELOPMENT MAP

Under the provisions of Ordinance No. 1563-2022, the City Council of Coatesville has designated an area of the City as a "Mixed Use Development Overlay District" area, desiring to provide and spur economic development opportunities within that area by designating the area as a "deteriorated area" under and pursuant to the Local Economic Revitalization Tax Assistance Act (LERTA). Properties located in the designated area, shaded in the map before, may be entitled to a property tax exemption on contemplated improvement or new construction.

LOCAL TAXING AUTHORITIES		
<p style="text-align: center;">City of Coatesville 1 City Hall Place Coatesville, PA 1932 Phone: 610-384-0300</p>	<p style="text-align: center;">Coatesville Area School District 3030 C G Zinn Road Coatesville, PA 19320 Phone: 610-466-2400</p>	<p style="text-align: center;">Chester County 313 Market Street, Suite 32020 PO Box 2748 West Chester, PA 19380 Phone: 610-344-6370</p>