



Lower Moreland Township LERTA Tax Abatement Information

NOTICE TO TAXPAYERS

"Under the provisions of Ordinance No.731, you may be entitled to a property tax exemption on your contemplated improvement or new construction. An application for exemption may be secured from Lower Moreland Township and must be filed with the Township within sixty (60) days following the date of issuance of a building permit for any new Improvements."

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.731 by the Lower Moreland Township Board of Commissioners, is a creative way to encourage owner-driven revitalization and new construction in Lower Moreland Township. 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 Township 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 effect of rehabilitating an industrial, commercial or other business property owned by an individual, association or corporation located within the Designated Area 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; "Improvements" does not include any ordinary upkeep or maintenance.

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 tax abatement program over the next ten (10) years. Real estate taxes on the new improvements/construction will increase based on the schedule outlined in the Ordinance. Property owners will pay 100% of the tax increase for all subsequent years after the tenth and final year of the abatement. Year 1 of tax exemption for a particular approved LERTA property shall commence following completion of construction.

APPLYING FOR LERTA

Any property owner desiring tax exemption shall **COMPLETE and SUBMIT a LERTA Tax Abatement Application** to the Lower Moreland Township Code Enforcement Department **within sixty (60) days** following the date of issuance of a building permit. A copy of the exemption request shall then be forwarded to all three local taxing authorities for consideration (*Lower Moreland Township, Lower Moreland Township School District, & Montgomery County*). Each local 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



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authorities. The taxpayer and the local taxing authorities 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.

EXEMPTION SCHEDULE

- A. Exemptions authorized by this Ordinance shall be in accordance with either the Standard Exemption Schedule or the Enhanced Exemption Schedule subject to provisions and limitations set forth in this Ordinance.

STANDARD EXEMPTION SCHEDULE

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

ENHANCED EXEMPTION SCHEDULE

Length	1st year	2nd year	3rd year	4th year	5th year	6th year	7th year	8th year	9th year	10th year
Exemption	100%	100%	100%	100%	100%	100%	80%	60%	40%	20%

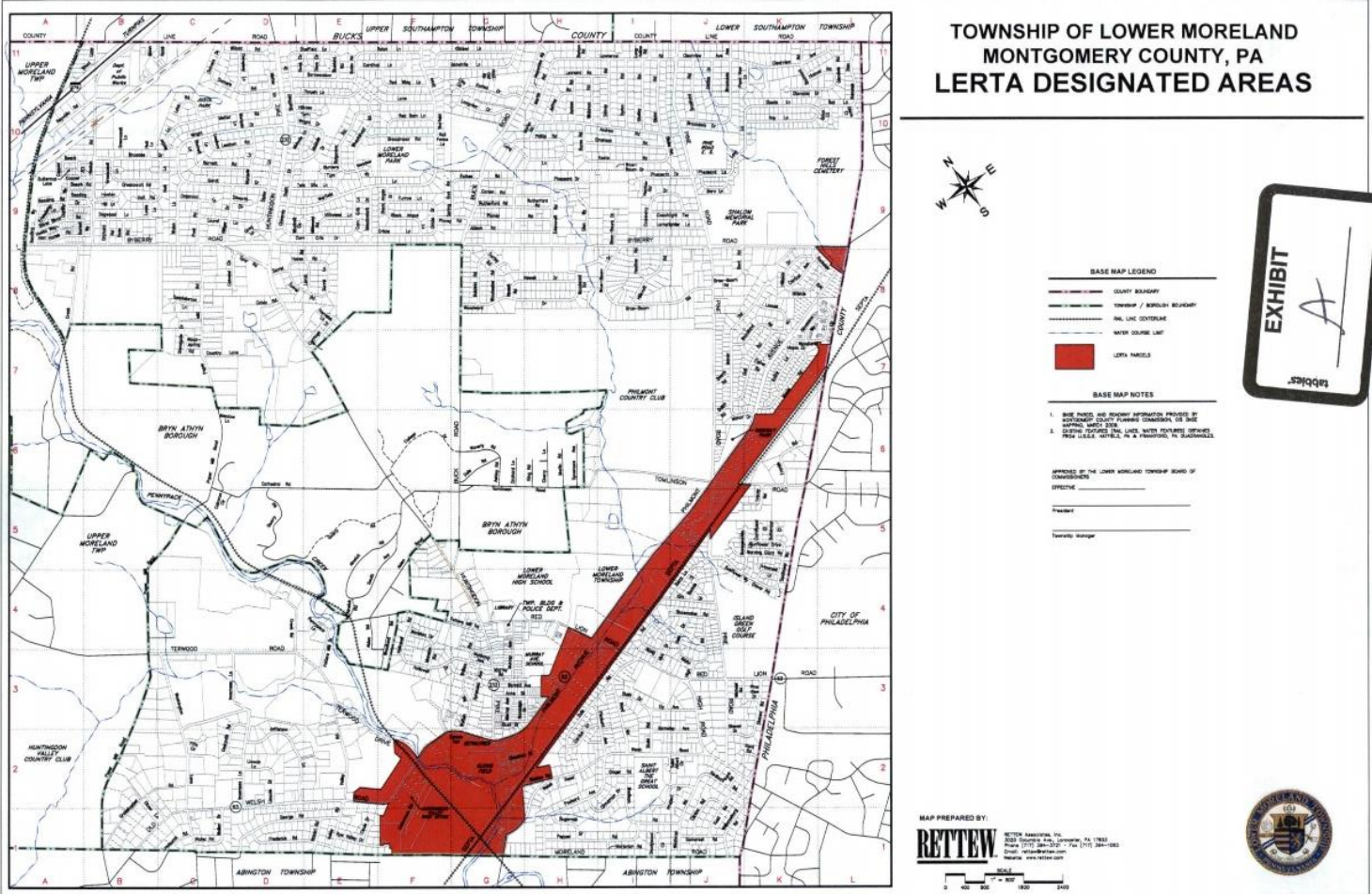
- B. Only properties ten acres or greater shall be eligible for a tax exemption under the Enhanced Exemption Schedule and such exemptions shall become effective for a ten year period from the date of issuance of a Certificate of Occupancy for any improvements and shall terminate after the tenth year.



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LERTA / REDEVELOPMENT MAP

Under the provisions of Ordinance No. 731, Lower Moreland Township has designated an area of the Township as MU-REV 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>Lower Moreland Township 640 Red Lion Road Huntingdon Valley, PA 19006 Phone: 215-947-3100</p>	<p>Lower Moreland Township School District 2551 Murray Avenue Huntingdon Valley, PA 19006 Phone: 215-938-0270</p>	<p>Montgomery County P.O. Box 311 Norristown, PA 19401 Phone: 610-278-3000</p>
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