

BILL NO:
INTRODUCED: August 11, 2022
BY: Ron Mozer, Mayor
ENACTED:
ORDINANCE NO.:

AN ORDINANCE OF THE CITY OF MONESSEN, WESTMORELAND COUNTY COMMONWEALTH OF PENNSYLVANIA, ESTABLISHING A REAL ESTATE TAX FORGIVENESS PROGRAM, PROCEDURES AND REGULATIONS GOVERNING THE TAX FORGIVENESS PROGRAM AND ESTABLISHING A JOINT COMMITTEE TASKED WITH IMPLEMENTING THE PROGRAM.

WHEREAS, the City of Monessen is severely impacted by blighted, vacant and tax delinquent properties throughout its municipal jurisdiction; and

WHEREAS, the City of Monessen has determined that these blighted, vacant and tax delinquent properties pose a threat to the health, safety and welfare of its residents; and

WHEREAS, after various blight studies, the City of Monessen has determined that a strong correlation exists between the length of time that a property remains tax delinquent and the increase in decay of the blighted structures situated on those tax delinquent properties; and

WHEREAS, the City of Monessen has determined that blight has a negative impact on the City's financial status because it is forced to expend resources in an attempt to curtail blight; and

WHEREAS, the City of Monessen has determined that a Tax Forgiveness Program is a necessary tool that will assist the City in remediating these tax delinquent properties by establishing rules and procedures to allow these properties to transfer to new ownership to promote the rehabilitation of the structures located thereon to avoid them from becoming blighted to the extent that demolition is the only option.;

NOW THEREFORE, be it ordained and enacted by the City of Monessen, Westmoreland County, Commonwealth of Pennsylvania:

Section 1. Purpose.

- a. The City of Monessen ("City") Tax Forgiveness Program will be implemented and utilized as a tool to remediate and reduce the number of blighted properties located throughout the City. Currently, the City is plagued with vacant and blighted residential properties that contain liens for delinquent real estate taxes levied by the City, Monessen School District ("School District") and Westmoreland County ("County").
- b. The aforementioned tax liens are a burden to the health, safety and welfare of the residents of the City, because they hinder the transfer of real estate to new owners

and allow properties to remain vacant, subject to blight and provides no benefit to the City and the School District.

- c. This Tax Forgiveness Program is designed to implement a procedure to facilitate transfer of these properties to new owners who will be obligated remediate these tax delinquent properties in order to return them to the tax rolls, and in return, a tax exoneration will be granted for delinquent taxes by the City and School District.

Section 2. Tax Forgiveness Plan Established.

- a. This ordinance hereby establishes the City of Monessen Tax Forgiveness Program, which will involve the private acquisition of tax delinquent properties through private sales and an application process wherein the Applicant will submit an application for the forgiveness of delinquent real estate taxes contingent on complete and total compliance with the Tax Forgiveness Program as fully described within this Ordinance.
- b. Applicants will be required to remediate the property within the time constraints and monetary amounts as described herein in order to qualify for tax exoneration.

Section 3. Joint Committee Established.

- a. A Joint Committee shall be formed comprising of five (5) individuals from the City of Monessen and the Monessen School District and shall be tasked with implementing the Tax Forgiveness Program and making recommendations to Mayor and Council of the City of Monessen and the Monessen School District School Board with regard to approving tax exonerations in accordance with this program.
- b. Appointees from the City of Monessen shall be elected officials or appointed officials serving within the City Administration.
- c. Appointees from the Monessen School District shall be elected officials or appointed officials serving within the School District Administration.
- d. There shall be three (3) individuals appointed by the City of Monessen having the qualifications enumerated above. The initial individuals from the City shall be appointed in accordance with following guidelines:
 - i. One seat for an initial term of one (1) year;
 - ii. One seat for an initial term of two (2) years; and
 - iii. One seat for an initial term of three (3) years.
- e. There shall be two (2) individuals appointed by the Monessen School District having the qualification enumerated above. The initial individuals from the School District shall be appointed in accordance with the following guidelines:
 - i. One seat for an initial term of one (1) year; and
 - ii. One seat for an initial term of two (2) years.
- f. In the event that a vacancy occurs on the Joint Committee, it shall be filled by an individual having the qualifications set forth above who will serve the remainder of the term of the seat subject to the vacancy.

- g. The Joint Committee is required to hold meetings in accordance with the Pennsylvania Sunshine Act.

Section 4. Properties Qualified for Tax Forgiveness Program

- a. Properties possessing only delinquent taxes will be considered for the Tax Forgiveness Program.
- b. Properties that have additional liens, such as mortgages, which the taxing bodies have no ability to abate, will not be considered.

Section 5. Qualified Applicants.

- a. An Applicant may be an individual or business entity.
- b. An Applicant shall not possess or own property within the City of Monessen that is delinquent on any taxes or municipal fees.

Section 6. Application Process.

- a. An Applicant will be responsible for identifying and evidencing that a property qualifies under the standards set forth above.
- b. An Applicant will complete an application form distributed by the City of Monessen and shall provide the following:
 - i. Application fee as set forth by resolution of Council. The initial application fee shall be \$500.00 and may be adjusted by resolution of Council.
 - ii. Title Search Report issued in the last sixty (60) days;
 - iii. Documentation of assessed value (obtained from Westmoreland County)
 - iv. Sales Agreement signed and notarized by the transferrer.
 - v. Copy of the Deed evidencing the transfer or proposed deed. (Property can transfer after acceptance into the program. Tax forgiveness will be made contingent on property transferring to the Applicant.)
 - vi. Description of work to be completed and estimate of work to be completed.
 - vii. Evidence of financial capacity to complete planned improvements/remediation. (i.e. funding commitment letter, personal financial statement, or bank statements).
 - viii. Tax certification from the Westmoreland County Tax Claim Bureau evidencing liens on the property.
 - ix. Tax certifications evidencing no tax delinquencies on other properties located within the City of Monessen and owned by the Applicant.
 - x. Affidavit of Non-Collusion setting forth that the Applicant and transferrer are not related in any capacity, including but not limited to, a familial relationship, investment relationship, or business relationship.

- xi. Affidavit of Non-Displacement setting forth that no residents were displaced as a result of entering into the Tax Forgiveness Program.

Section 7. Program Regulations

- a. Applicants interested in submitting a property to the Tax Forgiveness Plan shall complete and submit an application in a form provided by the City of Monessen to the City Administrator or his/her designee.
- b. The City Administrator shall review the application for completeness and upon making a determination that the application is complete, the City Administrator shall submit the application and supporting documentation to the Joint Committee.
- c. The Joint Committee shall review the application and render a decision on the application within ninety (90) days of the submittal of an application to the Joint Committee.
- d. Failure of the Joint Committee to render a decision within ninety (90) days of receiving an application will result in the application being deemed approved.
- e. If the Joint Committee approves an application, the Applicant shall agree to enter an Agreement with the City of Monessen and Monessen School District containing rights and duties consistent with this Ordinance.
- f. Upon accepting an application, the Joint Committee shall submit notification in writing to the City of Monessen and Monessen School District, recommending that tax exoneration take place.
- g. Upon the exoneration of taxes by the City of Monessen and School District, the City Administrator or his/her designee shall notify Westmoreland County that municipal and school taxes have been exonerated and request that the Westmoreland County Commissioners consider exonerating delinquent County Taxes.
- h. Applicants must expend funds utilized to remediate the property in the amount of at least fifty (50%) of the total tax delinquency or an amount that is necessary to render the property habitable, whichever is greater.
- i. Applicants will be restricted from assigning, transferring, leasing, or otherwise conveying the property for a period of one (1) year after being approved into the Program or until the property is habitable.
- j. Applicants will have one (1) year to complete rehabilitation of the property. Failure to do so will result in court action for breach of contract in the amount of taxes that were forgiven.
- k. Applicants are required to submit progress reports of remediation efforts to the City Administrator on a quarterly basis.
- l. Applicant must allow the Code Enforcement Officer to inspect the property upon at least three (3) days' notice and shall be subject to an inspection no less than once every three (3) months.

- m. The Applicant shall be determined to have completed the Tax Forgiveness Program upon submitting evidence of completing repairs in the amount of the estimated costs provided within an Application and the granting of certificate of occupancy provided by the City Code Enforcement Officer.

Section 8. Repealer.

It is the intention of the City Council of the City of Monessen that all ordinances that are in conflict with this ordinance are hereby repealed. Further, any ordinance not specifically mentioned in this ordinance that is not in conflict with this ordinance shall remain in full force and effect.

Section 9. Severability.

If any portion of this ordinance is declared by any Court of competent jurisdiction to be invalid, it is the intention of the Council of the City of Monessen that all other parts remain in effect.

Section 10. Effective Date.

This Ordinance shall be in effect ten (10) days after enactment.

ORDAINED AND ENACTED on this ____ day of _____, 2022.

ATTEST:

Cheryl Gordon
City Clerk

Ron Mozer
Mayor