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THE CITY OF BRADFORD

LERTA Program Guidebook

Local Economic Revitalization Tax Assitance Program



As Outlined in City Ordinance 3263: "City of Bradford Commercial, Industrial and/or Residential Tax Abatement Ordinance

Updated April 2022

What is LERTA?

LERTA, which stands for Local Economic Revitalization Tax Assistance, allows local taxing authorities to exempt improvements to property if the property is located within the boundaries of the City of Bradford

Bradford City commercial, industrial and/or residential property owners may be eligible for a real estate tax abatement for up to five (5) years immediately following the year in which the improvement becomes assessable.

The following real estate tax exempt schedule shall be in effect:

Period & Improvement Portion Exempt

First Year - 100% Second Year - 80% Third Year - 60% Fourth Year - 40% Fifth Year - 20%

After the fifth year, the exemption shall terminate

City Council originally adopted the program in January 1993. LERTA provides an incentive for making an investment toward a more prosperous and beautiful Bradford.

Example of LERTA Program

Assessment Rate: 100%

Total Millage: 49.64

\$250,000.00 in improvements to structure results in \$12,410.00 in new property tax payable

Year	Taxes Payable WITHOUT LERTA	Taxes Payable WITH LERTA	Annual LERTA Savings
1	\$12,410	\$0	\$12,410
2	\$12,410	\$2,482	\$9,928
3	\$12,410	\$4,964	\$7,446
4	\$12,410	\$7,446	\$4,964
5	\$12,410	\$9,928	\$2,482
6	\$12,410	\$12,410	0
TOTAL	\$74,460	\$37,230	\$37,230

Program's Impact

The impact of the LERTA Program is much greater for a project dealing with new construction on a vacant lot. In this case, the total value of new construction will be covered by the LERTA Program. For example, construction of a structure with a market value of \$250,000 will result in a local tax savings during the give-year period of the LERTA Program of \$XX,XXXX

Potential Types of Improvements

- Store front renovations
- Construction on exterior or interior of structure (commercial, industrial and/or residential)
- Reconstruction including alterations and additions (commercial, industrial and/or residential)
- Building additions (commercial, industrial and/or residential)

Please Note: Ordinary upkeep and maintenance is not eligible

The LERTA Program is available to you through the cooperation of the City of Bradford, McKean County Commissioners & the Bradford Area School District

Improvements Eligible for Tax Exemption

The exemption can be applied to commercial, industrial and/or residential properties located within the City of Bradford. Improvements eligible for exemption include repairs, reconstructions, alterations and additions to existing buildings as well as the construction of new buildings and facilities.

Exemption Schedule

The LERTA program exempts the property owner from paying real estate taxes on eligible improvements. The LERTA program does not exempt the property owner from existing real estate taxes levied on this property.

Tax Payer Procedure for Obtaining Exemption

Any person desiring tax exemption in connection with LERTA shall apply to the City of Bradford at the time a building permit is submitted. The application shall be in writing on forms specified by the City and shall contain the following information:

- \bullet The date the building permit was issues for said improvement
- The location of the property to be improved
- The nature of the property to be improved (industrial, commercial, or residential)
- The type of improvement
- The summary of the plan of improvement
- The cost of the improvement
- The property has been inspected and verified by the City Administrator or his agent

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City of Bradford Map of Corporate Boundaries

The LERTA Program can be used on commercial, industrial, and/or residential structures within the City of Bradford

