

KOZ, KOEZ & KOIZ DECERTIFICATION INSTRUCTIONS

KOZ DECERTIFICATION INSTRUCTIONS

Application: one or more political subdivisions, or a designee of one or more political subdivisions, may apply to the Department of Community and Economic Development to decertify and remove the designation of deteriorated property as part of a subzone, improvement subzone or expansion subzone.

The Application must contain all of the following:

(1) An identification of the property to be removed.

- Parcel Numbers
- Address
- Business and Property Owners

(2) A copy of an agreement which was supported by consideration in which each entity which possesses an interest in the real property to be removed, including any holder of an option either to purchase the real estate or to enter into a ground lease of the real estate or any other leasehold interest in the real estate, waives the party's right to any exemptions, deductions, abatements or credits granted by this act.

- Identification of each: Business, Property Owner and Resident within the zone.
- Phone Number, Email Address and Mailing Address for each entity within the zone.
- Completed Decertification Agreement with Signature from each entity expressing the specific consent to waive the right to any exemptions, deductions, abatements or credits granted by the KOZ legislation.

(3) A copy of a binding ordinance, resolution or other governing document passed by the political subdivision removing any exemptions, deductions, abatements or credits granted by this act effective upon decertification by the department.

Must include a copy of each ordinance, resolution or other required documents from the governing body of the political subdivision:

- County Ordinance or Resolution
- City or Municipality Ordinance or Resolution
- School District Ordinance or Resolution

All appropriate ordinances and resolutions must be effective for the period specified in the application for decertification. The Department of Community and Economic Development has complete discretion in deciding whether to grant the request to decertify the subzone, improvement subzone or expansion subzone.

The completed application packet with original signatures must be mailed to:

Department of Community & Economic Development Attention: Tara Santore, KOZ Program Manager Commonwealth Keystone Building 400 North Street, 4th Floor Harrisburg, PA 17120-0225
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Questions regarding the Decertification Process should be directed to Tara Santore at (717) 346-0327.

Attachments: Decertification Agreement and Draft Example of Resolution/Ordinance

**AGREEMENT TO PERMIT DECERTIFICATION OF CERTAIN
PROPERTY WITHIN A KEYSTONE OPPORTUNITY
[EXPANSION] [IMPROVEMENT] ZONE**

This DECERTIFICATION AGREEMENT is made and entered into this _____ day of _____, 20___, by and between the [political subdivision, address] (hereinafter “ _____ ”) and [owner/interested party, address] (hereinafter “ _____ ”) to decertify certain real property located at [property address], [county], Pennsylvania, (the “Property”), as more fully described in Exhibit A, and remove the Property from the [zone] (the “Zone”).

WHEREAS, on [date of zone designation], pursuant to the Keystone Opportunity Zone and Keystone Opportunity Expansion Zone Act, Act 92 of 1998, as amended (the “Act”), the Pennsylvania Department of Community and Economic Development (“DCED”) designated the Zone a Keystone Opportunity [Improvement] [Expansion] Zone, which Zone includes the Property; and

WHEREAS, [owner/interested party], as a party with an interest in the Property as described in section 309 of the Act, may qualify for exemptions, deductions, abatements or credits from taxes identified in the Act by virtue of its interest in the Property; and

WHEREAS, pursuant to section 309 of the Act, the [political subdivision] now desires to decertify and remove the Property from the Zone; and

WHEREAS, such decertification of the Property from the Zone will preclude the [owner/interested party] from receiving future exemptions, deductions, abatements or credits identified in the Act;

NOW, THEREFORE, [owner/interested party], in consideration of [consideration] to it now paid by [political subdivision], does hereby waive its right to any exemptions, deductions, abatements or credits granted by the Act, arising from its interest in the Property, beginning on [date].

IN WITNESS WHEREOF, this Decertification Agreement is executed and sealed by the parties, intending to be legally bound, on the day and year first above written.

WITNESS:

[Political Subdivision]

By: _____

WITNESS:

[owner/interested party]

By: _____

[Attach Exhibit A – Property Legal Description]

Draft Resolution/Ordinance - Decertification

The following is a draft resolution developed as an example of the type of binding resolution required for an application to decertify all or part of a KOZ, KOEZ or KOIZ. All such resolutions should be adopted at a public meeting, which includes a regularly scheduled public meeting. **Before taking action on such resolutions, School Districts, Municipalities and Counties should consult with their individual solicitors for process and form consistent with local practice.** This sample should be modified to include the taxes that pertain to each political subdivision.

RESOLUTION OR ORDINANCE

A RESOLUTION/ORDINANCE REMOVING EXEMPTIONS FROM REAL PROPERTY TAX, EARNED INCOME TAX, NET PROFITS TAX, MERCANTILE AND BUSINESS PRIVILEGE TAX, MERCANTILE LICENSE TAX AND SALES AND USE TAX WITHIN A SPECIFIC GEOGRAPHIC AREA IN _____ DESIGNATED AS PART OF A [KEYSTONE OPPORTUNITY ZONE, KEYSTONE OPPORTUNITY EXPANSION ZONE OR KEYSTONE OPPORTUNITY IMPROVEMENT ZONE].

WHEREAS, (*county, municipality, or school district*) Pennsylvania on _____ [date of original resolution], in Resolution No. _____, resolved to provide tax exemptions within a defined geographical and political boundary of (*county, municipality, or school district*), bounded as follows: (*the area to be decertified, or described as set forth in Attachment "A"*); and

WHEREAS, the Pennsylvania Keystone Opportunity Zone Act 63 of 2005, as amended by Act 79 of 2008 (SB 1412) authorizes political subdivisions to apply to the Pennsylvania Department of Community and Economic Development (DCED) to decertify areas within the respective political subdivision currently designated as a Keystone Opportunity Zone [Keystone Opportunity Expansion Zone, Keystone Opportunity Improvement Zone] and, as a precondition of such application, to enact a binding resolution/ordinance that removes from the designated and approved geographic area exemptions, deductions, abatements or credits from all local taxes identified in the Act, which resolutions/ordinance will be contingent only on DCED's approval of the application for decertification; and

WHEREAS, (*county, municipality, or school district*) is participating in an application to DCED via (*entity applying*) seeking approval to decertify [all or part] of the X Subzone of the XXX Region Keystone Opportunity Zone [Keystone Opportunity Expansion Zone, Keystone Opportunity Improvement Zone].

NOW, THEREFORE, BE IT RESOLVED by the _____ of _____, _____ County that effective as of the date of, and contingent only on, DCED's approval of the application to decertify a portion of the _____ Region__ Keystone Opportunity Zone [Keystone Opportunity Expansion Zone, Keystone Opportunity Improvement Zone], Resolution No. _____, dated _____, is hereby rescinded with respect to the property herein described, said property is hereby removed from the Central Region Keystone Opportunity Zone [Keystone Opportunity Expansion Zone, Keystone Opportunity Improvement Zone], and all tax benefits provided by the Act to that property are hereby withdrawn.

ORDAINED AND ENACTED by the _____ of the _____ of _____ County, Pennsylvania, this day of _____, 200_.

ATTEST:

[Name, Title]

By
Seconded
Ayes
Nays