

Adopted 10/22/2020

**Borough of Wenonah
Gloucester County, New Jersey**

ORDINANCE NO. 2020-16

**AN ORDINANCE ADDING
CHAPTER 60 OF THE CODE OF THE BOROUGH OF WENONAH
ENTITLED "FIVE YEAR REAL ESTATE TAX ABATEMENT"**

WHEREAS, the Mayor and Council of the Borough of Wenonah have determined that certain amendments to the Code of the Borough of Wenonah are required.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Borough of Wenonah that Chapter 60 ("Five Year Real Estate Tax Abatement") of the Code of the Borough of Wenonah is hereby added in its entirety as follows:

CHAPTER 60 - FIVE YEAR REAL ESTATE TAX ABATEMENT

- § 60-1. Definitions.
- § 60-2. Exemption from taxation of improvements to dwellings: new residential dwellings
- § 60-3. Additional improvements
- § 60-4. Application requirements
- § 60-5. Termination of agreement
- § 60-6. Duration of tax agreements
- § 60-7. Determination of tax due upon completion of improvement, conversion or construction
- § 60-8. Ineligibility of property for which property taxes or penalties are due
- § 60-9. Application to be filed within thirty (30) days; approval; recording as part of tax records
- § 60-10. Property taxes subject to exemption and abatement provisions
- § 60-11. Notice to taxpayers of adoption of chapter.
- § 60-12. Annual report; total amount of tax exempted and abated.

[HISTORY: Adopted by the Borough Council of the Borough of Wenonah 10/22/20 as Ord. No. 60 to become effective 11/01/20]

§ 60- 1 Definitions.

The definition of the terms used in this chapter shall be the same as they appear in N.J.S.A. 40A:21-1, et seq., and, therefore are:

ABATEMENT. That portion of the assessed value of the property as it existed prior to construction, improvement or conversion of a building or structure thereon, which is exempted from taxation pursuant to this Chapter.

ASSESSOR. The officer of Gloucester County Office of Assessment charged with the duty of assessing real property in the Borough of Wenonah for the purpose of general taxation.

COMPLETION. Substantially ready for the intended use for which a building or structure is constructed, improved or converted.

CONSTRUCTION. The provision of a new dwelling, multiple dwelling or commercial or industrial structure or the enlargement of the volume of any existing multiple dwelling or commercial or industrial structure by more than thirty (30%) percent, but shall remain the conversion of an existing building or structure or another use.

COST. When used with respect to abatements for dwellings or multiple dwellings, the only cost or fair market value of direct labor and materials use in approving a multiple dwelling, or of converting another building or structure to a multiple dwelling, or of constructing a dwelling or of converting another building or structure to a dwelling, including any architectural engineering, and contractors' fees associated therewith, as the owner of the property shall cause to be certified to the governing body by an independent and qualified architect, following the completion of the project.

DWELLING. A building or part of a building used, to be used, or held for use as a home or residence, including accessory buildings located on the same premises, together with the land upon which such building or buildings are erected and which may be necessary for the fair enjoyment thereof, but shall not mean any building or part of a building, defined as (multiple dwelling) pursuant to the Hotel and Multiple Dwelling Law, P.L. 1967, c 76 (N.J.S.A. 55:13A-1, et seq.). A dwelling shall include, as they are separate conveyed to individual owners, individual residences within a cooperative, if purchased separately by the occupants thereof, and individual residences within a horizontal property regime or condominium, but shall not include general common elements or common elements of such horizontal property regime or condominium as defined pursuant to the Horizontal Property Act, P.L. 1963, c 168 (N.J.S.A. 46:8A-1, et seq.), or at the Condominium Act, P.L. 1969, c 157 (N.J.S.A. 46:8B-1, et seq.), or of a cooperative, if the residential units are owned separately.

EXEMPTION. That portion of the Assessor's full and true value of any improvements, conversion alternation or construction not regarded as increasing the taxable value of a property pursuant to this Chapter.

IMPROVEMENT. A modernization, rehabilitation, renovation, alteration or repair which produces a physical change in an existing building or structure that improves the safety, sanitation, decency or attractiveness of the building or structure as a place for human habitation

or work, and which does not change its permitted use. In a case of a multiple dwelling, it includes only improvements which affect common areas or elements, or three (3) or more dwelling units within the multiple dwelling. In the case of a multiple dwelling or commercial or industrial structure, it shall not include ordinary painting, repairs and replacement of maintenance items, or an enlargement of the volume of an existing structure by more than thirty percent (30%). In no case shall it include the repair of fire or other damage to a property for which payment of a claim was received by any person from an insurance company at any time during the three year period immediately preceding the filing of an application pursuant to this Chapter.

§ 60 - 2 Exemption from taxation of improvements to dwellings; new residential dwellings.

- A. Exemption from taxation of improvements to dwellings. The municipality shall regard the first twenty-five thousand dollars (\$25,000) in the assessor's full and true value of improvements made to each such dwelling unit primarily and directly affected by the improvements in any property more than twenty (20) years old which shall not increase the value of such property for a period of five (5) years, notwithstanding that the value of the dwelling to which said improvements are made has increased.

After the full fifth tax year, the value of such improvements shall be assessed and taxed at one hundred percent (100%) of the taxes otherwise due for the sixth full tax year and each year thereafter. During the exemption period, the assessment of the property shall not be less than the assessment thereon existing immediately prior the improvements, unless there is damage to the dwelling through the action of the elements sufficient to warrant a reduction.

§ 60 - 3 Additional improvements.

Additional improvements completed during the period for which the improved property is subject to the previously granted exemption an amount less than the maximum deduction permissible shall be qualified for additional deduction privileges, under the terms and conditions, however, that in no tax year shall total deductions for any single property exceed twenty-five thousand dollars (\$25,000).

§ 60 - 4 Application requirements.

Applicants for tax exemption and abatement for construction of commercial or industrial structures shall provide the Borough Council with an application setting forth the following:

- A. A general description of a project for which exemption and abatement is sought;
- B. A legal description of all real estate necessary for the project;

- C. Plans, drawings and other documents as may be required by the governing body to demonstrate the structure and design of the project.
- D. Estimates of the cost of completing such projects;
- E. A Statement showing:
 - 1. The real property taxes currently being assessed at the project site;
 - 2. Estimated tax payments that would be made annually by the applicant on the project during the period of the agreement; and
 - 3. Estimated tax payments that would be made by the applicant on the project during the first full year following the termination of the tax agreement;
- F. Such other pertinent information as the governing body may require.

§ 60 - 5 Termination of Agreement.

At the termination of an agreement for tax exemption or abatement authorized pursuant to this Chapter, the project shall be subject to all applicable real estate taxes as provided by State and local laws and regulations, provided that nothing herein shall be deemed to prohibit the project or improvement, a determination of an agreement authorized pursuant to this chapter, to qualify for an receiving the full benefits of any tax preference as provided by law.

§ 60 - 6 Duration of tax agreements.

- A. All tax agreements entered into by the Borough pursuant to N.J.S.A. 40A:21-9 through 40A:21-12 shall be in effect for no more than five (5) full tax years next following the date of completion of the project.

§ 60 - 7 Determination of tax due upon completion of improvement, conversion or construction.

The Assessor shall determine, on October 1 of the year following the date of the completion of an improvement, conversion, or construction, the true taxable value thereof. Except for projects subject to tax agreement, pursuant to N.J.S.A. 40A:21-9 through 40A:21-12, the amount of tax to be paid for the first full tax year following completion shall be based on the assessed valuation of the property for the previous year, plus any portion of the assessed valuation of the improvement, conversion or construction not allowed an exemption pursuant to this Chapter. Subject to the provisions of this Chapter, the property shall continue to be treated in the appropriate manner for each of the five (5) full tax years subsequent to the original determination by the Assessor.

§ 60 - 8 Ineligibility of property for which property taxes or penalties are due.

No exemption or abatement shall be granted, or tax agreement entered into, pursuant to this chapter with respect to any property for which property taxes are delinquent or remain unpaid, or for which penalties for nonpayment of taxes are due.

§ 60 - 9 Application to be filed within thirty (30) days; approval; recording as part of tax records.

- A. No exemption or abatement shall be granted pursuant to this Chapter except upon written application therefor filed with and approved by the County Assessor. Every application shall be on a form prescribed by the municipality and provided for the use of claimants by the Borough of Wenonah, and shall be filed with the assessor within thirty (30) days, including Saturdays, Sundays and holidays, following the completion of the improvement, conversion, alteration or construction. (A copy of the application is attached hereto as Exhibit "A").
- B. Every application for exemption, or exemption and abatement, within the Borough of Wenonah which is filed within the time specified, shall be approved and allowed by the County Assessor to the degree that the application is consistent with the provisions of this Chapter or tax agreement, provided by the improvement, conversation, alternation or construction for which the application is made qualifies as an improvement, a conversation, alteration or construction pursuant to the provisions of this Chapter and a tax agreement, if any.
- C. The granting of an exemption, or an exemption and abatement, or tax agreement shall be recorded and made a permanent part of the official tax records of the taxing district, which records shall contain a notice of the termination date thereof.

§ 60 - 10 Property taxes subject to exemption and abatement provisions.

The exemption and abatement of real property taxes provided pursuant to this chapter shall apply to property taxes levied for municipal purposes, school purposes, county government purposes and for purposes of funding any other property tax exemption or abatement.

§ 60 - 11 Notice to taxpayers of adoption of Chapter.

The Borough of Wenonah, pursuant to N.J.S.A. 40A:21-20, shall include the notice in the mailing of annual property tax bills to each owner of a dwelling located in the area in which exemptions, or exemptions and abatements, may be allowed pursuant to this Chapter during the first year following adoption of this chapter.

§ 60 - 12 Annual report; total amount of tax exempted and abated.

- A. The Borough of Wenonah shall report, on or before October of each year, to the Director of Division of Local Government Services in the Department of Community Affairs and to the Director of the Division of Taxation in the Department of the Treasury in the State of New Jersey, the total amount of real property taxes exempted and the total amount abated within the Borough in the current tax year for each of the following:
1. Improvements of dwellings;
 2. Construction of dwellings;
 3. Improvements and conversions of multiple dwellings;
 4. Improvements of commercial or industrial structures;
 5. Construction of multiple dwellings under tax agreements; and
 6. Construction of commercial or industrial structures under tax agreements.
- B. In the case of Subsections A5 and A6 above, the report shall state instead the total amount of payments made in lieu of taxes according to each formula utilized by the Borough and the difference between that total amount and the total amount of real property taxes which would have been paid on the project had the tax agreement not been in effect for the current tax year.