

ORDINANCE No. RO-15-22

AN ORDINANCE OF THE TOWNSHIP OF WASHINGTON, COUNTY OF MORRIS, STATE OF NEW JERSEY, ADDING A NEW CHAPTER 184 ENTITLED “FIVE-YEAR TAX ABATEMENT PROGRAM FOR WASHINGTON TOWNSHIP HISTORIC DISTRICT REHABILITATION AREAS” TO THE CODE OF THE TOWNSHIP OF WASHINGTON

WHEREAS, the Township Committee has determined that tax abatement programs permitted by statute are beneficial to developers and could encourage development within the Township’s three historic districts; and

WHEREAS, a review of the Township Code demonstrates that there are currently no provisions for such abatement programs to be available to developers in the Township’s three historic districts; and

WHEREAS, the Township Committee has determined that it is necessary to amend the Code to establish provisions and procedures for a five-year tax abatement program for renovations within Washington’s three historic districts which have been designated as areas in need of rehabilitation; and

NOW THEREFORE BE IT ORDAINED, by the Township Committee of the Township of Washington, Morris County, New Jersey, that the Code of the Township of Washington shall be amended to add a new Chapter 184 entitled “Five-Year Tax Abatement Program for Washington Township Historic District Rehabilitation Areas” to read as follows:

SECTION 1. Chapter 184 Five-Year Tax Abatement Program for Washington Township Historic District Rehabilitation Areas

§184-1 Definitions.

All terms utilized in this Chapter not specifically defined herein shall conform to the meanings set forth in the Five-Year Exemption and Abatement Law (“Act”).

§184-2 Statement of Purpose.

The Township hereby determines to utilize the authority granted under Article VIII, Section I, paragraph 6 of the New Jersey Constitution to establish the eligibility of certain dwellings, commercial structures and industrial structures for exemptions, as provided in this Chapter and as permitted by the Act, throughout Washington Township’s Historic District Rehabilitation Areas.

§184-3 Exemptions Authorized to be Implemented by Tax Assessor.

The Township hereby determines to provide for the exemption from taxation of certain improvements and certain new construction occurring within the Historic District Rehabilitation Areas throughout the Township. To the extent that a property owner shall apply to the Tax Assessor within the time period prescribed by the New Jersey Department of Treasury in accordance with the Act, which currently requires submission within thirty (30) calendar days following completion of the improvements or construction for which the exemption is sought, and shall provide documentation to the Tax Assessor, in a form and manner acceptable to the Tax Assessor and consistent with the Act, of compliance with this section, such property owner shall be entitled to the relevant exemption enumerated herein without any need for action by the Township Committee.

§184-4 Residential - Improvements.

The Township hereby determines to provide for the exemption from taxation of certain improvements made to dwellings, on the following terms and conditions:

- (1) The term "dwelling", for purposes of this Section shall not include condominium residential units or cooperative type residential properties.
- (2) The term "dwelling", for purposes of this Section shall not include "multiple dwellings", as defined by the Act.
- (3) Only dwellings that are more than twenty (20) years old shall be eligible for exemption.
- (4) The term "improvements", for purposes of this subsection, shall mean a 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 structure as a place for human habitation, and which does not change its permitted use.
- (5) To the extent that a dwelling shall comply with the requirements set forth at subsections (1) through (4), above, in determining the value of real property for each dwelling unit, the Township shall regard the first \$25,000 in the Assessor's full and true value of improvements for each dwelling unit primarily and directly affected by the improvements as not increasing the value of the property for a period of five (5) years, notwithstanding that the value of the property to which the improvements are made is increased thereby. During the exemption period, the assessment on any property pursuant to this paragraph shall not be less than the assessment thereon existing immediately prior to the improvements, except if there is damage to the dwelling through action of the elements sufficient to warrant a reduction.

§184-5 Residential New Construction.

The Township hereby determines to provide for an exemption of 30% of the Assessor's full and true value for a period of five (5) years following construction of new dwellings. The term "dwelling", for purposes of this Section, shall include condominium residential units but not cooperative type residential units, and shall not include multiple dwellings. This exemption is to be granted notwithstanding that the value of the property upon which the construction occurs is increased thereby.

§184-6 Residential - Multiple Dwellings - Improvements.

- (1) The Township hereby determines to provide for an exemption of 100% of the Assessor's full and true value for a period of five (5) years following the construction of improvements to multiple dwellings. The term "multiple dwelling" shall have that meaning ascribed to it by the Act.
- (2) This exemption is to be granted notwithstanding that the value of the property upon which the construction occurs is increased thereby. During the exemption period, the assessment on any property pursuant to this Section shall not be less than the assessment thereon existing immediately prior to the improvements, except if there is damage to the multiple dwelling through action of the elements sufficient to warrant a reduction.

§184-7 Commercial - Improvements.

The Township hereby determines to provide for the exemption from taxation of certain improvements made to commercial structures, on the following terms and conditions:

- (1) For purposes of this Chapter, the term commercial structure relates to office, retail and like uses, but does not include multiple dwellings.
- (2) For purposes of this Chapter, the term commercial structure shall include a structure which contains both residential units and some other commercial use (for example, retail), provided that the structure is not part of a condominium or cooperative regime and further provided that the structure does not qualify as a multiple dwelling under the Act.
- (3) To the extent that improvements to a commercial structure shall comply with the requirements set forth at subsections (1) and (2), above, the Township hereby determines to provide for an exemption of 100% of the Assessor's full and true value for a period of five (5) years following the construction of the improvements. This exemption is to be granted notwithstanding that the value of the property upon which the construction of the improvement occurs is increased thereby.

§184-8 Industrial - Improvements.

The Township hereby determines to provide for the exemption from taxation of certain improvements made to industrial structures, on the following terms and conditions:

- (1) Improvements must be made to both the interior and exterior of a structure in order to qualify for exemption under this section.
- (2) Only improvements with a cost of less than \$1,000,000 shall be eligible for exemption under this section.
- (3) No less than twenty-five (25%) percent of the improvement cost shall be attributable to the exterior improvements.
- (4) To the extent that improvements to an industrial structure shall comply with the requirements set forth at subsections (1) through (3), above, the Township hereby determines to provide for an exemption of 100% of the Assessor's full and true value for a period of five (5) years following the construction of the improvements. This exemption is to be granted notwithstanding that the value of the property upon which the construction of the improvement occurs is increased thereby.
- (5) To the extent that improvements to a commercial structure do not comply with one or more of subsections (1) through (3), above, a property owner is not eligible for exemption under this section but may apply to the Township for consideration of the proposed exemption in accordance with Section 5 hereof.

§184-9 Exemptions Requiring Application to the Township Committee.

- A. Exemptions for Which Application is Required. The Township hereby determines that any property owner seeking exemption from taxation with respect to industrial improvements which do not meet the requirements of Section (1) through Section (3), respectively, shall make application to the Township Committee in accordance with this section, within the time period prescribed by the New Jersey Department of Treasury in accordance with the Act, which currently requires submission within thirty (30) calendar days following completion of the improvements or construction for which the exemption is sought. However, nothing in this ordinance shall prohibit a property owner who has made more than \$1,000,000 in industrial improvements which otherwise comply with the applicable requirements from foregoing exemption of the improvements in excess of \$1,000,000 and seeking instead an as of right exemption from the Assessor to the limits permitted by the Section above.
- B. Contents of Application. Applicants for an exemption under this Section shall provide the Township Committee and the Assessor with the following information:

- (1) A general description of the project for which exemption is sought, and an estimated schedule of completion for the project;
- (2) A legal description of all real estate necessary for the project;
- (3) Plans, drawings and other documents as may be required by the Township Committee to demonstrate the structure and design of the project;
- (4) A description of the number, classes and type of employees to be employed at the project site within two years of completion of the project;
- (5) A statement of the reasons for seeking an exemption on the project, and a description of the benefits to be realized by the Township and the property owner if an exemption is granted;
- (6) Estimates of the cost of completing the project;
- (7) A statement showing (i) the real property taxes currently being assessed at the project site; (ii) estimated tax payments that would be made annually by the property owner with respect to the project during the period of the exemption, and (iii) estimated tax payments that would be made by the property owner with respect to the project during the first full year following the termination of the exemption;
- (8) A description of any lease agreements between the property owners and proposed users of the project, and a history and description of the users' businesses;
- (9) A certification by the property owner listing (i) all properties within the Township owned by the property owner or in which the property owner has an interest and (ii) all agreements with the Township to which the property owner is a party; and
- (10) Such other pertinent information as the Township may require.

C. Review and Recommendation by Assessor. Within thirty (30) days of receipt of the information set forth at Section 5(b), above, the Assessor shall review the information provided and shall provide written recommendations to the Township Committee with respect to same.

D. Action by Township Committee. Within sixty (60) days of receipt of the Assessor's recommendations, the Township Committee shall consider the application for exemption, and shall by resolution either: disapprove the exemption; or approve an exemption of 100% of the value of the improvements for a five-year period following the completion of construction.

E. Additional Exemptions When Property Already Subject to Exemption. The Township hereby determines that an additional improvement or construction completed on a property already granted a previous exemption pursuant to this Ordinance during the period in which the previous exemption is in effect, shall be eligible to qualify for an additional exemption under the standards identified in this Ordinance. The additional improvement or construction shall be considered as separate for purposes of calculating the exemption, except

that the assessed value of any previous improvement or construction shall be added to the assessed valuation as it was prior to that improvement or construction for the purpose of determining the assessed value of the property for which any additional exemption is to be subtracted.

- F. Tax Delinquency. No exemption shall be granted pursuant to this Ordinance with respect to any property for which real estate taxes or other municipal charges are delinquent or remain unpaid, or for which penalties and interest for non-payment of taxes are due.
- G. Revaluation During Exemption Period. In the event that the Township implements a revaluation or reassessment during the exemption period for any property, any exemptions granted hereunder shall continue to apply but at a valuation level consistent with the revaluation or reassessment.
- H. Revision of Base Assessment During Exemption Period. The granting of an exemption for a particular property shall not prejudice the right of the Township to appropriately examine and revise the assessment during the five-year exemption period in the event the base assessment is found to be improperly valued and assessed.

§184-10 Effective Date; Sunset Provision.

Upon final passage and publication as provided by law, this Ordinance shall take effect upon final passage, approval and publication as required by law and shall authorize the Township to grant exemptions up to a 5-year period.

SECTION TWO. RENUMBERING. This Ordinance may be renumbered for codification purposes.

SECTION THREE. SEVERABILITY. The various parts, sections and clauses of this Ordinance are hereby declared to be severable. If any part, sentence, paragraph, section or clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder off this Ordinance shall not be affected thereby.

SECTION FOUR. REPEALER. Any ordinances or parts thereof in conflict with the provisions of this Ordinance are hereby repealed as to their inconsistencies only.

LEGAL NOTICE OF PENDING ORDINANCE

Notice is hereby given that the Ordinance published herewith was introduced and passed upon first reading at a meeting of the Township Committee of Washington Township, in the County of Morris, New Jersey, held on the 21st day of November, 2022. It will be further considered for final passage after public hearing thereon, at a meeting of said Township Committee to be held in the Washington Township Municipal Building, 43 Schooley's Mountain Road, Long Valley, NJ 07853 in said Township, on December 19, 2022 at 7:00 p.m., said Ordinance can be viewed at www.wtmorris.net or at the Clerk's office.

Denean Probasco, RMC, Township Clerk

Matthew T. Murello, Mayor,

Adopted: November 21, 2022

Attest: I herein certify that the foregoing Ordinance was duly adopted by the Washington Township Committee at a regular meeting held by the Township Committee on November 21, 2022.

Denean Probasco, RMC, Township Clerk