

**AN ORDINANCE OF THE TOWNSHIP OF GREENWICH  
READOPTING AND AMENDING CHAPTER 625 TAX  
ABATEMENTS AND EXEMPTIONS**

**ORDINANCE NO. 12 - 2014**

**BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE TOWNSHIP OF  
GREENWICH AS FOLLOWS:**

Section 1.      Purpose

The Township of Greenwich previously adopted the provisions of *N.J.S.A.* 40A:21-1 et seq., the Five Year Exemption and Abatement Law authorizes municipalities to adopt an Ordinance providing for the eligibility of dwellings, multiple dwellings, or commercial and industrial structures for exemption and abatement from taxation in areas in need or rehabilitation. Mayor and Council desire to affirm and readopt Ordinance No. 25-2009 and amend certain sections in accordance with the state statute. Such will encourage and reward property owners who improve their properties.

Section 2.      Repeal

Chapter 625, Sections 3, 4 and 6 through 12 are hereby repealed and replaced with the amended language below. In all other respects Chapter 625 shall remain in full force and effect with this readoption.

Section 3.      Amendment

Chapter 625 is amended to read as follows:

**§625 - 3. Period of Exemption.**

This article authorizes the Township of Greenwich to grant exemptions and abatements for a five-year period to commence and take effect in the 2014 tax year and thereafter. This article shall lapse, unless readopted, in the 2018 tax year and no exemptions shall be granted after December 31, 2018, tax year without such readoption.

**§625 - 4. Definitions.**

For purposes of this article, all terms utilized in this article shall conform to the definitions identified in *N.J.S.A.* 40A:21 et seq. The terms "dwelling" and "dwellings," as used in this article, shall include condominium residential and cooperative residential units.

**§625 - 6. Transfers of property to new owner.**

In the event property subject to an exemption provided under §625-5 of this article has been transferred to a new owner, the exemption already granted for the property shall continue for the remaining period of the exemption without further application by the new owner.

**§625 - 7. Improvements to Commercial and Industrial Structures; Exclusions.**

- A. The Township Council hereby determines to provide an exemption from taxation of improvements to commercial and industrial structures as set forth in N.J.S.A. 40A:21-8 and in accordance with provision of N.J.S.A. 40A:21-9 through 40A:21-12. Such an improvement as defined under N.J.S.A. 40A:21-3n, shall not include ordinary painting, repairs and replacement items or an enlargement of the volume of the existing structure by more than 30%. The exemption shall be granted for a five-year period and shall not increase the value of the property by the value of the improvement, notwithstanding that the value of the property to which the improvement is made is increased thereby. During the exemption period, the assessment on the property shall not be less than the assessment thereon existing immediately prior to the improvement, unless there is damage to the structure through action of the elements sufficient to warrant a reduction.
- B. This article authorizes the exemption for improvement to commercial and industrial structures to be granted only by the governing body by resolution on an individual basis after review, evaluation and approval of each application if the market value of the improvement is in excess of \$250,000. In the event an improvement has a market value of \$250,000 or less, the authority to grant the exemption shall be vested with the Mayor and Council. Application forms for such exemption shall be available at the office of the Municipal Clerk.

**§625 - 8. New construction or enlargement of commercial and industrial structures.**

The Township Council hereby determines to grant exemptions for the new construction of commercial and industrial structures, or the enlargement of the volume of an existing commercial or industrial structure by more than 30%, pursuant to the procedures set forth in the law and in this article, for a five-year period. Such exemption shall not mean the conversion of an existing building or structure to another use.

**§625 - 9. Application Procedure.**

The exemptions/abatements identified in § 625-5 and § 625-6 of this article require the following application procedure:

- A. An application must be submitted to and filed with the Municipal Clerk no later than 30 days, including Saturdays and Sundays, following completion of the improvement, alteration or construction. An application may be filed with the Municipal Clerk any time prior to such deadline. "Completion" means that the subject improvement is substantially ready for the intended use for which it is constructed. Such completion may be evidenced by the issuance of a certificate of occupancy or like document by the Township's building inspectors.
- B. The application shall be on a form prescribed by the Director of the Division of Taxation and shall be available to applicants at the Township's municipal building.
- C. Every application for exemption timely filed with the Municipal Clerk shall be approved

and allowed by the Mayor and Council if the application is consistent with the statute and this article and the subject property qualifies for the exemption as provided herein.

- D. The granting of the exemption shall be recorded and made a permanent part of the official tax records of the Township and the County Tax Assessor.

**§ 625-10. No exemption for property with unpaid taxes or utilities.**

No exemption shall be granted pursuant to this article for any property for which property taxes and/or municipal utilities are delinquent or remain unpaid, or for which penalties for nonpayment of taxes are due.

**§ 625-11. Written Agreement; abatement schedule; approval; filing.**

- A. Based on such application, the governing body may enter into a written agreement on a discretionary basis with an applicant for the exemption of local property taxes on the improvement. The agreement shall provide that in lieu of full property taxes, the applicant shall pay Township, full property taxes for the land plus an amount equal to a percentage of taxes otherwise due for the improvement, according to the following schedule:

(1) In the first full year after completion: no payment in lieu of taxes otherwise due;

(2) In the second full year after completion: an amount not less than 20% of taxes otherwise due;

(3) In the third full year after completion: an amount not less than 40% of taxes otherwise due;

(4) In the fourth full year after completion: an amount not less than 60% of taxes otherwise due;

(5) In the fifth full year after completion: an amount not less than 80% of taxes otherwise due;

- B. The application and agreement shall be approved by a resolution adopted by the governing body. Municipal bills for payments in lieu of taxes shall be adjusted to incorporate tax rate changes from year to year.

- C. The Municipal Clerk is authorized to forward a copy of all executed abatement agreements entered into pursuant to this article to the County Tax Assessor and Director of the Division of Local Government Services in the Department of Community Affairs within 30 days of the date of execution.

**§ 625-12. Property transfers; conditions for continuation of exemption.**

In the event property subject to a tax agreement has been transferred to a new owner and it is determined that the new owner will continue to use the property pursuant to the qualifying conditions, the exemption shall continue and the agreement shall remain in effect. As a condition for such continuation of

the exemption, the new owner must apply for the assignment of the agreement by letter submitted to the Municipal Clerk of the City within 30 days of ownership transfer. Such assignment must be approved by resolution of the governing body.

**§ 625-13. Revaluation or reassessment during exemption period.**

In the event the Township implements a revaluation or reassessment during the exemption period for any property, the exemption shall continue to apply but at a valuation level consistent with the revaluation or reassessment.

**§ 625-14 Right of Township to revise assessment.**

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.

**§ 625-15. Tax delinquency; waiver of tax appeals.**

- A. No exemption shall be granted or tax agreement entered into pursuant to this article for any property for which property taxes are delinquent or remain unpaid, or for which penalties for nonpayment of taxes are due. As a condition for the continuation of an exemption already granted during the five-year period, property taxes must be kept current. In the event that a tax delinquency for such property exists for more than a sixty-day period, the County Tax Assessor is authorized to notify the affected property owner that the exemption has been terminated and the full value of the property will be subject to property taxes under the local property tax law from the date of delinquency.
- B. As a further condition to granting an exemption, a property owner shall be required to waive the filing of any tax appeal for the subject property for the life of the exemption. In the event a tax appeal is filed for the subject property during the five-year exemption period, the exemption shall cease as of January 1 of the tax year for which the appeal is filed.

**§ 625-16. Duration and Termination of exemption.**

- A. All exemptions granted hereunder shall be in effect for a five-year period commencing with the date of completion of the improvement or project.
- B. At the termination of the agreement for tax exemption authorized pursuant to this article, the improvement shall be subject to all applicable real property taxes as provided by state laws and regulations and local ordinances, provided that nothing herein shall be deemed to prohibit the qualifying improvement at the termination of the tax exemption from qualifying for and receiving the full benefits of any other tax preference provided by law.

**§ 625-17. When effective.**

This article shall take effect for tax year 2014 upon final passage, approval and publication as provided by law.

Section 4.      Effective      This Ordinance shall take effect twenty (20) days after adoption and publication as required by law.

Introduced at a regular meeting of the Mayor and Council of the Township of Greenwich held on the 21<sup>st</sup> day of July, 2014 and passed upon a second reading of the Mayor and Council held on the 18<sup>th</sup> of August, 2014.

ATTEST:

TOWNSHIP OF GREENWICH

\_\_\_\_\_  
LORI L. BIERMANN,  
Municipal Clerk

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GEORGE W. SHIVERY, JR.,  
Mayor

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