

**ORDINANCE NO. 1194**

**ORDINANCE OF THE BOROUGH OF BARRINGTON, COUNTY OF CAMDEN, STATE OF NEW JERSEY AMENDING ARTICLE I., TAX ABATEMENTS FOR HOME IMPROVEMENTS, AND ARTICLE IV., TAX ABATEMENTS FOR COMMERCIAL AND INDUSTRIAL STRUCTURES, IN CHAPTER 313, TAXATION, IN THE CODE OF THE BOROUGH OF BARRINGTON**

**BE IT ORDAINED** by the Mayor and Borough Council of the Borough of Barrington, County of Camden, and State of New Jersey that Article I., Tax Abatements for Home Improvements, and Article IV., Tax Abatements for Commercial and Industrial Structures, in Chapter 313, Taxation, be and are hereby amended in the Code of the Borough of Barrington, as follows:

**Article I.  
Tax Abatements for Home Improvements**

**ARTICLE I.      ARTICLE I. SECTION 313-1      Type of property eligible; amount and duration of exemption.**

For the purpose of taxation, the first \$25,000 in the Assessor's full and true value of home improvements for each dwelling unit primarily and directly affected by a home improvement in any property more than 20 years old shall not increase the value of such property for a period of five years, notwithstanding that the value of the dwelling to which said improvements are made has increased thereby. In no event, however, shall the assessment during that period be less than the assessment thereon existing immediately prior to such home improvements, unless there shall be destruction through action of the elements sufficient to warrant a reduction.

**ARTICLE II.      ARTICLE I. SECTION 313-2      Method of determination of exemption.**

The above amounts up to \$25,000 may be deducted from the amount determined by the Assessor on October 1 of any year following the determination of the completion of the improvements and shall continue to be so treated for each of the five tax years subsequent to the original determination by the Assessor.

**ARTICLE III.      ARTICLE I. SECTION 313-3      Additional improvements.**

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

**ARTICLE IV.      ARTICLE I. SECTION 313-4      Application requirements for taxing district.**

A taxing district desiring to seek the exemption to the above shall file a written application with the Tax Assessor of Barrington pursuant to the directions of N.J.S.A. 40A:21-1 et seq.

**ARTICLE V.      ARTICLE I. SECTION 313-5      Definitions.**

As used in this article, the following terms shall have the meanings indicated:

**COMPLETION:**            Substantially ready for the use for which it was intended.

**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 said building or buildings are erected and which may be necessary for the fair enjoyment thereof, but shall not mean a building or part of a building defined as a "multiple dwelling" pursuant to N.J.S.A. 55:13A-1 et seq. A dwelling shall include, as they are separately conveyed to individual owners, individual residences within a horizontal property regime or a condominium, but shall not include general common elements or common elements of such horizontal property regime or condominium as defined in N.J.S.A. 46:8A-1 et seq. and N.J.S.A. 46:8B-1 et seq. or of a cooperative, if the residential units are owned separately.

**IMPROVEMENT:**      A modernization, rehabilitation, renovation, alteration or repair of a dwelling which produces a physical change in the existing building or structure that improves the safety, sanitation, decency and attractiveness of the building or structure as a place for human habitation and which does not change its permitted use. 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 article.

**Article IV.**

**Tax Abatements for Commercial and Industrial Structures**

**ARTICLE VI.      ARTICLE IV.      SECTION 313-15      Type of property eligible; amount and duration of exemption.**

For the purposes of taxation, an exemption may be granted to the Assessor's full and true value of improvements to commercial and industrial structures. The exemption shall be granted for a five-year period, which shall commence on the first day of January on the year subsequent to the issuance of a certificate of occupancy or temporary certificate of occupancy, as appropriate, 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 increases 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 the action of elements sufficient to warrant a reduction.

**ARTICLE VII.      ARTICLE IV.      SECTION 313-16      Method of determination of exemption.**

A. The Borough Council of the Borough of Barrington may enter into a written agreement with an applicant for the exemption and abatement of local property taxes as referenced in § 313-15 of this article. The agreement shall provide that the applicant shall pay the municipality, in lieu of full property taxes, an amount equal to a percentage of taxes otherwise due according to the tax phase-in basis as authorized and defined by N.J.S.A. 40A:21-10c, in accord with the following schedule:

(1) In the first full year after completion, no payment in lieu of taxes otherwise due on the additional improvement, conversion or construction;

(2) In the second tax year, an amount not less than 20% of taxes otherwise due on the additional improvement, conversion or construction;

(3) In the third tax year, an amount not less than 40% of taxes otherwise due on the additional improvement, conversion or construction;

(4) In the fourth tax year, an amount not less than 60% of taxes otherwise due on the additional improvement, conversion or construction;

(5) In the fifth tax year, an amount not less than 80% of taxes otherwise due on the additional improvement, conversion or construction.

B. The Borough Clerk of the Borough of Barrington, pursuant to N.J.S.A. 40A:21-11, shall forward a copy of all tax agreements entered into pursuant to this article to the Director of the Division of Local Government Services in the Department of Community Affairs within 30 days of the date of its execution.

C. In the event that the property owner, subject to a tax agreement, ceases to operate or disposes of the property, or fails to meet the conditions for qualifying for the abatement, the local property taxes due for all the prior years subject to the abatement, and for the current year, shall be payable as if no exemption or abatement had been granted. The Tax Collector of the Borough of Barrington shall notify the property owner, within 15 days of the date of disqualification, of the amount of taxes due. In the event that the subject property 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, no tax shall be due, the exemption and abatement shall continue and the agreement shall remain in effect.

**ARTICLE VIII. ARTICLE IV. SECTION 313-17 Application requirements for taxing district.**

A. Applicants for tax exemptions and abatements for new construction and/or improvements to commercial and industrial structures shall provide the Borough Council of the Borough of Barrington with an application setting forth the following information:

- (1) A general description of the project for which the exemption or abatement is sought;
- (2) A legal description of the real estate necessary for the project;

(3) Plans, drawings and other documents, as they may be required by the Borough Council of the Borough of Barrington, to demonstrate the structure and design of the project;

(4) A description of the number, classes and types of employees to be employed at the project site within two years of the completion of the project;

(5) A statement of the reasons for seeking the tax exemption and abatement on the project and a description of the benefits to be realized by the applicant if the tax exemption and abatement is granted;

(6) Estimates of the cost of completing such project;

(7) A statement showing:

(a) The real property taxes currently being assessed at the project site to the Borough of Barrington;

(b) The estimated tax payments that would be made annually by the applicant on the project to the Borough of Barrington during the period of the agreement; and

(c) The estimated tax payments that would be made by the applicant on the project to the Borough of Barrington during the first full year following the termination of the agreement;

(8) A description of any lease agreement between the applicant and any proposed users of the project and a history and description of the proposed user's business; and

(9) Any such other pertinent information as may be required by the Borough Council of the Borough of Barrington, to be determined on a case-by-case basis.

B. Every application submitted pursuant to this article shall be on a form prescribed by the Director of the Division of Taxation and shall be filed with the Tax Assessor of the Borough of Barrington, as a condition for its approval, within 30 days following the completion of the improvement, conversion or construction.

C. No application may be made to the Borough Council of the Borough of Barrington for an exemption or abatement of local property taxes 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 to the granting of an exemption or abatement, a property owner shall be required to waive the filing of any tax appeal for the subject property for the life of the exemption/abatement.

**ARTICLE IX. ARTICLE IV. SECTION 313-18 Additional improvements.**

Additional improvements, conversions or construction completed on a property already granted a previous exemption or abatement pursuant to this article during the period in which the previous exemption or abatement is in effect shall qualify for an additional exemption or abatement. The additional improvements, conversions or construction shall be considered as separate for the purposes of calculating the exemption or abatement, except that the assessed value of any

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

**ARTICLE VII.    ARTICLE IV.            SECTION 313-19            Termination of agreement.**

At the termination of an agreement for tax exemption or abatement authorized pursuant to this article, 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, at the termination of an agreement authorized pursuant to this article, from qualifying for and receiving the full benefits of any tax preference as provided by law.

**ARTICLE XI.**

All Ordinances contrary to the provisions of this Ordinance are hereby repealed to the extent that they are inconsistent herewith.

**ARTICLE XII.**

This Ordinance shall take effect upon passage and publication according to law.

**BOROUGH OF BARRINGTON**

**Date of Introduction:**

**Date of Adoption:**

**Approved:** \_\_\_\_\_  
**Kyle Hanson, Mayor**

**Attest:** \_\_\_\_\_  
**Terry Shannon, Borough Clerk**

The purpose of this Ordinance is to re-adopt the ordinance providing for tax abatements for home improvements and tax abatements for commercial and industrial structures as required by N.J.S.A. 40A:21-4, in the Code of the Borough of Barrington. A copy of this Ordinance is available at no charge to the general public between the hours of 8:30 AM to 4:30 PM, Monday through Thursday (Legal Holidays excluded), and public between the hours of 8:30 AM to 12:00 PM on Fridays (Legal Holidays excluded), at the Office of the Borough Clerk, Barrington Borough Hall, 229 Trenton Avenue, Barrington, New Jersey.