

ORDINANCE O:13-2024

**AN ORDINANCE OF THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF MONROE
TO AMEND CHAPTER 252 OF THE CODE OF THE TOWNSHIP OF MONROE,
ENTITLED "TAXATION"**

WHEREAS, the Township Council of the Township of Monroe has recommended certain amendments to Chapter 252 of the Code of the Township of Monroe and has determined that it is in the best interest of the Township to amend this specific section.

NOW, THEREFORE, BE IT ORDAINED by the Township Council of the Township of Monroe that the Code of the Township of Monroe is hereby amended to include the amendments herein.

SECTION I. Chapter 252, entitled "Taxation" is hereby amended to add the following:

§ 252-1 Supersession.

All previous ordinances adopted by the Township of Monroe related to abatements and exemptions for properties located in areas in need of rehabilitation are superseded by this article.

§ 252-2 General authorization.

The Township of Monroe may enter into agreements with applicants for tax abatement on residential, commercial, and industrial projects which satisfy the chapter requirements hereinafter set forth. The agreement shall provide for an abatement from real property taxation on these projects for a period of not more than five (5) years. During such five (5) year period, the agreement shall provide for payments to the Township of Monroe in lieu of full property taxes, which payment shall be calculated as set forth hereinafter in this chapter. Applications for abatement from taxation may be filed to take effect for the first full year commencing after the tax year in which the authorizing ordinance is adopted, and upon completion of the project for tax years thereafter as set forth in P.L. 1991, c. 441 (*N.J.S.A. 40A:21-1 et seq.*), but no application for tax abatement shall be filed for an abatement to take initial effect for the eleventh (11th) full tax year or any tax year occurring thereafter unless this chapter is readopted by the governing body of the Township of Monroe.

§ 252-3 Residential dwellings more than 20 years old.

- A. The Township of Monroe shall grant exemptions from taxation of improvements to residential, single-family dwellings and residential portions of mixed-use dwellings more than 20 years old as permitted under *N.J.S.A. 40A:21-1 et seq.* In determining the value of real property, the Township shall regard the first \$25,000 in the County 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 years, notwithstanding that the value of the property to which the improvements are 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 improvements, unless there is damage to the dwelling through action of the elements sufficient to warrant a reduction.

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- B. Claims for the exemption shall be in writing upon forms prescribed by the Director of the Division of Taxation and must be filed with the local County Tax Assessor within 30 days including Saturdays and Sundays following completion of construction, improvements, conversion and/or conversion alteration.

§ 252-4 New construction residential dwellings.

The Township of Monroe may grant exemptions of some portion of the assessed valuation of construction of new dwellings, or of conversions of other buildings and structures to dwelling use, or both, may also provide for the abatement of some portion of the assessed value of the property receiving the exemption as it existed immediately prior to the construction or conversion alteration. An abatement for a dwelling may be granted for a total of up to five years, but the annual amount of the abatement shall not exceed 30% of the total cost of the construction or conversion alteration, and the total amount of abatements granted to any single property shall not exceed the total cost of the construction or conversion alteration. The abatement period and the annual percentage of the abatement to be granted shall be set forth in this ordinance, which may include a schedule providing for a different percentage of abatement, up to 30%, for each year of the abatement period.

§ 252-5 Multiple dwellings.

- A. There may be an exemption from taxation of improvements to multiple dwellings. In determining the value of the real property, the Township of Monroe shall regard the first \$25,000 in the County Assessor's full and true value of the improvements or conversion alterations as not increasing the value of the property for a total of five years, notwithstanding that the value of the property upon which the construction or conversion alteration occurs 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 improvements, unless an abatement is granted pursuant to Subsection B of this section, or there is damage to the multiple dwelling through action of the elements sufficient to warrant a reduction.
- B. An ordinance providing for exemption may also provide for the abatement of some portion of the assessed value of property receiving the exemption as it existed immediately prior to the improvement or conversion alteration. An abatement for a multiple dwelling may be granted with respect to that property for a total of up to five years, but the annual amount of the abatement shall not exceed 30% of the total cost of the improvement or conversion alteration, and the total amount of abatements granted to any single property shall not exceed the total cost of the improvement or conversion alteration. The abatement period and the annual percentage of the abatement to be granted shall be set forth in the ordinance, which may include a schedule providing for a different percentage of abatement, up to 30%, for each year of the abatement period.

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§ 252-6 Specific requirements.

To be considered for tax abatement a new commercial or industrial structure must contain a minimum of five thousand (5,000) square feet of floor space for use. An enlargement of an existing commercial or industrial structure must be more than thirty percent (30%) of the existing volume of the structure as defined in *N.J.S.A. 40A:21-3g*.

§ 252-7 Application procedure.

- A. A preliminary application is required to be filed with the Township Clerk for the Law/Tax Abatement Committee prior to the issuance of a construction permit for the project for all commercial tax abatements and sections 252-4 and 252-5 above. No construction permit shall be issued to an applicant seeking tax abatement until such time as the preliminary application has been filed in accordance with the township ordinance requirements and the Construction Office advised of same in writing by the Township Tax Assessor. If a preliminary application is not filed, said property will not be eligible for tax abatement.
- B. In the event a construction permit is not issued within one (1) year from the date the preliminary application is filed, the preliminary application shall be deemed null and void.
- C. Upon the filing of a preliminary application, the Law/Tax Abatement Committee will review said application to determine if it meets the requirements of the township ordinance for abatement and a tax abatement agreement. The Law/Tax Abatement Committee shall provide this determination to the township governing body within sixty (60) days of receipt of a properly completed preliminary application. In the event the Law/Tax Abatement Committee determines that the application meets the chapter requirements, then the Township Council will consider an ordinance authorizing a tax abatement agreement with the applicant, subject to the following conditions:
 - (1) That the applicant shall file a final application for tax abatement with the Township Clerk in the form prescribed, within thirty (30) days, including Saturdays and Sundays, following completion of construction. A copy of the final application shall also be filed with the governing body of the township.
 - (2) The completed construction shall be in accordance with the original township approvals on which the tax abatement agreement was initially authorized based on the preliminary application.
 - (3) The applicant has continued to meet the requirements of the township chapter for tax abatement. Every properly completed final application for abatement shall be evaluated for approval by Law/Tax Abatement Committee within thirty (30) days of filing. The Law/Tax Abatement Committee shall notify the governing body in writing of the approval determination. Upon receipt of the written approval from

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the Law/Tax Abatement Committee the appropriate township officials shall then proceed to execute the tax abatement agreement previously authorized by the specific ordinance adopted as part of the preliminary application approval process. The applicant shall be required to sign this tax abatement agreement prior to the township signatories.

- D. Separate applications must be filed for each building involved in Phased Projects.
- E. In the event the use listed on the preliminary application is changed subsequent to the issuance of the construction permit for the project, the Township Council may adopt an ordinance authorizing a tax abatement with the applicant provided that the new use is of a type listed in Section 252-9 as a qualifying project, that the applicant has submitted a revised preliminary application listing the new use, and that the Law/Tax Abatement Committee determines that the revised preliminary application meets the requirements of this chapter.

§ 252-8 Form of preliminary and final application.

The preliminary and final application must be on a form prescribed by the Law/Tax Abatement Committee, and shall provide the following information:

- A. A general description of this project for which abatement is sought;
- B. A legal description of all real estate necessary for the project;
- C. Plans and drawings including a site layout on the total lot area, and other documents as may be required by the governing body to demonstrate the structure and design of the project;
- D. A description of the number, classes, types of employees and average estimated wages and salaries by employee class, to be employed at the project site within two (2) years of the completion of the project;
- E. A statement of the reasons for seeking tax abatement on the project, and a description of the benefits to be realized by the applicant if tax abatement is granted;
- F. Estimates of the cost of completing such project;
- G. 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 tax abatement; and (3) estimated tax payments that would be made by the applicant on the project during the first year following the termination of the tax abatement agreement;

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- H. A description of any lease agreements between the applicant and proposed users of the project, and a history and description of the user's business;
- I. Proof of payment of taxes through the current quarter;
- J. Other pertinent data regarding the relationship, agreements and status of other properties owned by the applicant within the Township of Monroe; and
- K. ~~Such other pertinent information as the governing body may require.~~ **A certification must be filed with the Office of the Township Clerk, signed by the owner and developer of the property/project which is the subject of the tax abatement application certifying, under the penalty of perjury, and later to be placed in the Tax Abatement Agreement, the following information:**
 - (1) That the person making the certification has the authority, or is vested with the authority to make the representations;**
 - (2) That a percentage of actual trades people/workforce/labor to be employed for the construction of all improvements, including all new buildings, additions to existing structures, and all additional site improvements, shall be domiciled in the County of Gloucester and shall be not less than 75% and/or provide a signed Project Labor Agreement ("PLA") which represents the residents of Gloucester County, the total trades people/work force/labor utilized for construction of the project during its entire duration, which will be defined as from the date of the issuance of the first construction permit, through the date of the issuance of a final Certificate of Occupancy;**
 - (3) An acknowledgement that a breach of this provision by the owner/developer will result in a forfeiture of tax abatement status for said property, and that the discovery of such breach, during the course of the tax abatement, shall also require a repayment of all abated taxes in full to the Township of Monroe;**
 - (4) This provision stating that this requirement shall also be binding upon all successors-in-interest to said property/project which is the subject of the tax abatement application, and that written notification of this provision must be provided to all successors-in-title or interest to said property, including the repayment requirement upon discovery of the breach of this provision by the Township.**
- L. **Such other pertinent information as the governing body may require.**

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§ 252-9 Projects qualifying for township tax abatement program.

The following type projects/uses will be considered for tax abatement by the Township of Monroe:

- A. Light industrial, light manufacturing, and indoor warehousing facilities which are non-polluting and non-noxious;
- B. Scientific or industrial research engineering laboratory, testing or experimental laboratory or similar establishment for research or product development;
- C. Administrative offices;
- D. Wholesale distributorships;
- E. Experimental, research testing, dental or medical laboratories;
- F. Carpet or rug cleaning: laundry and dry cleaning;
- G. Job printing and newspaper or book publishing;
- H. Baking and food and dairy processing;
- I. Corporate and professional offices;
- J. General service and repair shops, including carpenter, cabinet making, furniture repair, plumbing or similar shop;
- K. Office of a builder, carpenter, caterer, cleaner, contractor, decorator, electrician, furrier, mason, painter, plumber, roofer, upholsterer, and similar non-nuisance businesses, excluding open storage of materials and excluding open storage of motor vehicles;
- L. Veterinary hospital, provided that all animals are kept in a permanent enclosed structure and are not within one hundred fifty (150) feet of any existing residential use or zone;
- M. Businesses and instructional school, including trade school;
- N. Nursing homes, homes for the aged and assisted living facilities;
- O. General commercial establishments permitted by zoning;
- P. Accessory uses on the same lot with and customarily incidental to any of the above permitted uses.

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Q. Charter schools.

§ 252-10 Payments in lieu of full property taxes.

- A. All tax abatement agreements must be authorized by a separate ordinance for each application.
- B. A tax abatement agreement may provide for the applicant to pay to the township in lieu of full property tax payments an amount annually to be computed by the following formula or other formula consistent with New Jersey law and acceptable to the Governing Body:
 - (1) Tax phase-in basis — The applicant must pay to the township in lieu of full property tax payments an amount equal to a percentage of taxes otherwise due, according to the following schedule:
 - (a) In the first full tax year from date of completion, no payment in lieu of taxes unless otherwise due;
 - (b) In the second tax year from date of completion, an amount not less than twenty percent (20%) of taxes otherwise due;
 - (c) In the third tax year from date of completion, an amount not less than forty percent (40%) of taxes otherwise due;
 - (d) In the fourth tax year from date of completion, an amount not less than sixty percent (60%) of taxes otherwise due;
 - (e) In the fifth tax year from date of completion, an amount not less than eighty percent (80%) of taxes otherwise due.
- C. All tax agreements entered into by virtue of this chapter shall be in effect for no more than five (5) full tax years from the date of completion of the project. Within thirty (30) days of the execution of a tax abatement agreement, the township shall forward a copy of said agreement to the Director of the Division of Local Government Services in the Department of Community Affairs.
- D. No exemption or abatement shall be granted, or tax agreement entered into, with respect to any property for which property taxes or other municipal charges are delinquent or remain unpaid, or for which penalties for non-payment of taxes are due.
- E. If during any tax year prior to the termination of the tax agreement, the property owner ceases to operate or disposes of the property, or fails to meet the conditions for qualifying, then the tax which would have otherwise been payable for each tax year shall become due and payable from the property owner as if no abatement had been granted.

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The township governing body shall notify the property owner and the Tax Collector of the disqualification, and upon such notice, the Tax Collector shall within fifteen (15) days thereof notify the owner of the property of the taxes due and payable to the township. With respect to the disposal of property, where it is determined that the new owner of the property will continue to use the property pursuant to the conditions which qualified the property for tax abatement, no tax shall be due, the abatement shall continue and the agreement shall remain in effect.

- F. At termination of the tax abatement agreement, the property shall be subject to all applicable real property taxes as provided by law; but nothing herein shall prohibit a project, at the termination of an agreement, from qualifying for and receiving the full benefits of any other tax preferences provided by law.

§ 252-11 Definitions.

As used in this chapter, the following definitions shall apply:

ASSESSOR

The officer of the Township of Monroe charged with the duty of assessing real property for the purpose of general taxation.

COMMERCIAL OR INDUSTRIAL STRUCTURE

A structure or part thereof used for the manufacturing, processing or assembling of material or manufactured products, or for research, office, industrial, commercial, retail, recreational, hotel or motel facilities, or warehousing purposes, or for any combination thereof, which the governing body determines will tend to maintain or provide gainful employment within the municipality, assist in the economic development of the municipality, maintain or increase the tax base of the municipality and maintain or diversify and expand commerce within the municipality. It shall not include any structure or part thereof used or to be used by any business relocated from another qualifying municipality unless: the total square footage of the floor area of the structure or part thereof used or to be used by the business at the new site together with the total square footage of the land used or to be used by the business at the new site exceeds the total square footage of that utilized by the business at its current site of operations by at least ten percent (10%), and the property that the business is relocating to has been the subject of a remedial action plan costing in excess of two hundred fifty thousand dollars (\$250,000.) performed pursuant to an administrative consent order entered into pursuant to authority vested in the Commissioner of Environmental Protection.

COMPLETION

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

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CONSTRUCTION

The development of a commercial or industrial structure or the enlargement of the volume of an existing commercial or industrial structure by more than thirty percent (30%), but shall not mean the conversion of an existing building or structure to another use.

PHASED PROJECTS

Commercial or industrial construction involving multiple structures that are built separately.

§ 252-12 Application fee.

An application filing fee of three hundred dollars (\$300.00) shall be paid by the applicant at the time of filing the preliminary application. The application fee will provide for the administrative services to be undertaken by the Law/Tax Abatement Committee, township professionals and/or any other township official, in order to render a determination on the applicant's eligibility for a tax abatement. The filing fee shall cover the cost for both the preliminary application and final application review and determination process.

SECTION II. All prior Ordinances or parts of Ordinances inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such inconsistency.

SECTION III. If any word, phrase, clause, section or provision in this Ordinance shall be found by any Court of competent jurisdiction to be unenforceable, illegal, or unconstitutional, such word phrase, clause, section or provision shall be severable from the balance of the Ordinance and the remainder of the Ordinance shall remain in full force and effect.

SECTION IV. This Ordinance shall take effect twenty (20) days after final passage and publication as required by law.

TOWNSHIP OF MONROE

CNCL. PRES., CHELSEA VALCOURT

ATTEST:

**Twp. Clerk, Aileen Chiselko, RMC
or Deputy Clerk, Jennifer Harbison, RMC**

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CERTIFICATION OF CLERK

The foregoing Ordinance was introduced at a meeting of the Township Council of the Township of Monroe held on the 13th day of March, 2024, and will be considered for final passage and adoption at a meeting of the Township Council of the Township of Monroe to be held on 27th day of March, 2024 at the Municipal Building, 125 Virginia Avenue, Williamstown, New Jersey 08094, at which time any person interested therein will be given an opportunity to be heard.

**Twp. Clerk, Aileen Chiselko, RMC
or Deputy Clerk, Jennifer Harbison, RMC**

ROLL CALL VOTE

1st Reading

	AYES	NAYS	ABSTAIN	ABSENT
Cncl. Adams				
Cncl. Fox				
Cncl. Garbowski				
Cncl. Heverly				
Cncl. McKinney				
Cncl. O'Reilly				
Cncl. Pres. Valcourt				
Tally:				

2nd Reading

	AYES	NAYS	ABSTAIN	ABSENT
Cncl. Adams				
Cncl. Fox				
Cncl. Garbowski				
Cncl. Heverly				
Cncl. McKinney				
Cncl. O'Reilly				
Cncl. Pres. Valcourt				
Tally:				

The foregoing ordinance was hereby approved by the Mayor of the Township of Monroe on this _____ day of _____, 2024.

MAYOR GREGORY A. WOLFE