

**ORDINANCE 23:02**  
**ORDINANCE OF THE BOROUGH OF STRATFORD, COUNTY OF CAMDEN, AND**  
**STATE OF NEW JERSEY, AMENDING CHAPTER 3.16 OF THE CODE OF THE**  
**BOROUGH OF STRATFORD ENTITLED,**  
**“FIVE YEAR TAX EXEMPTION AND ABATEMENT LAW”**

**WHEREAS**, N.J.S.A. 40A:21-1 entitled the, “Five-Year Exemption and Abatement Law” permits municipalities the ability to grant for periods of five years, exemptions and abatements, or both from taxation in area in need of rehabilitation and redevelopment, for improvements, conversions and/or construction of said structures; and

**WHEREAS**, N.J.S.A.40A:21-4 limits an Ordinance under the Five-Year Exemption and Abatement Law to a period of ten years: and

**WHEREAS**, N.J.S.A. 40A:21-4 permits a municipality to adopt an Ordinance under the Five-Year Exemption and Abatement Law; and

**WHEREAS**, the Mayor and Borough Council of the Borough of Stratford have determined that it is appropriate to adopt and establish an amendment to Chapter 3.16 of the Code of the Borough of Stratford entitled “Five Year Tax Exemption and Abatement Law” in an effort to promote the construction and rehabilitation for non-residential property such as but not limited to office, commercial and industrial development in certain circumstances and generate economic development and job growth in the Borough of Stratford.

**NOW, THEREFORE**, be it ordained by the Mayor and Borough Council of the Borough of Stratford, County of Camden, State of New Jersey, as follows:

SECTION 1. Chapter 3.16 of the Code of the Borough of Stratford is hereby amended:

3.16.030 – Exemptions.

The Borough hereby authorizes the utilization of tax exemption and tax abatement in accordance with Chapter VII, Section 1, paragraph 6 of the New Jersey Constitution and establishes the eligibility of dwellings, multiple dwellings, mixed-use structures, commercial and industrial structures for five-year tax exemptions and abatements as authorized by N.J.S.A. 40A:21-1 et seq., throughout the entire municipality, only to the extent as set forth herein.

A claimant desiring to seek the exemption to this Chapter shall comply with the application procedures set forth in Chapter 3.16.030(A)(3), (4) and (5); (B) (2).

- A. Improvement/Conversion – Multiple Dwellings, Mixed-Use Structures, Commercial and/or Industrial.
  - 1. Pursuant to N.J.S.A. 40A:21-7 all improvements as defined in N.J.S.A. 40A:21-3(n), and conversions as defined in N.J.S.A. 40A:21-3(n) to multiple dwellings, mixed-use structures, commercial and industrial structures, shall be exempt from local real property taxes, on the improved

portion only, for a period of five (5) years, if, after proper, timely application has been made, the Governing Body determines that the improvement/conversion meets the intent and criteria established by this section without compromising the equity of the Borough tax structure.

2. During the exemption period, the assessment on the property shall not be less than the assessment existing thereon immediately prior to the improvement/conversion unless there is damage to the structure through action of the elements or force majeure sufficient to warrant a reduction.
3. Applicants must apply for tax exemptions on improvement/conversion within thirty (30) days of completion of construction of the improvement/conversion.
4. All applications for improvement/conversion shall be filed with the Tax Assessor who shall deem the application complete prior to forwarding it to the Governing Body for approval.
5. No application will be approved for any property that has received a previous exemption.
6. Evidence that all real property taxes currently assessed against the property are paid in full and that the Borough holds no outstanding tax lien or any other municipal charges against the property.
7. No applications will be approved for fit-outs to structures which were not previously fully completed and occupied.
8. No applications will be approved for changing a structure from one construction code use group to another.
9. Upon approval of an ordinance authorizing an agreement for tax exemption for a particular non-residential improvement/conversion project, the Governing Body may enter into a written agreement with the applicant for exemption of local property taxes on the improvement/conversion.
10. In the event that a property owner subject to a tax exemption agreement ceases to operate or disposes of the property or fails to meet the conditions for qualifying for the exemption, the local property taxes due for all the prior years subject to exemption and for the current year shall be payable as if no exemption had been granted. The Borough Council shall notify the property owner and the Tax Collector of such disqualification and the Tax Collector shall notify the property owner within fifteen (15) days of the date of disqualification of the amount of taxes due. In the event 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 shall continue and the agreement shall remain in effect.
11. If approved as provided herein, the exemption shall continue for a period of five (5) years commencing on January 1 of the tax year immediately following the date that the project received a final certificate of occupancy.
12. Any additional improvement/conversion after the approval of exemption shall not be included.
13. No exemption or abatement shall be applicable under this subsection if the Property has been declared an Area in Need of Redevelopment pursuant to the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-1 et seq.)

B. Construction – Multiple Dwellings, Mixed-Use Structures, Commercial, and/or Industrial

1. Construction of new multiple dwellings, mixed-use, commercial and industrial structures shall be eligible for tax exemption or abatement or both, commencing with the completion of each individual dwelling unit or the completion of the Project.
2. The applicant shall furnish to the Municipality all the information required by N.J.S.A. 40A:21-9. In addition, every applicant shall file the application form prescribed by the Director of the New Jersey Division of Taxation in the Department of Treasury with the Tax Assessor, as condition to approval, within thirty (30) days, including Saturdays and Sundays and legal holidays, following the completion of the improvement. Every application for exemption or abatement or both so filed shall be approved and allowed by the Tax Assessor to the degree that the application is consistent with the provisions of this Chapter, provided that the improvements for which the application is made qualifies as such pursuant to the provisions of this Chapter and the tax agreement. The granting of an exemption or abatement or both and tax agreement, if appropriate, shall be recorded and made a permanent part of the official tax records of the Borough, which record shall contain a notice of termination date thereof.
3. No tax exemption or abatement shall be granted unless approved by Ordinance of the Borough Council on an individual basis after review, evaluation and approval of each application for compliance with the terms of this Chapter and the underlying statute, rules and regulations.
4. Any such exemption or abatement shall be subject to the owner and the Borough entering into a tax agreement as provided by N.J.S.A. 40A:21-10.
5. No application will be approved for any property that has received a previous exemption.
6. Evidence that all real property taxes currently assessed against the property are paid in full and that the Borough holds no outstanding tax lien or any other municipal charges against the property.
7. In the event that a property owner subject to a tax exemption agreement ceases to operate or disposes of the property or fails to meet the conditions for qualifying for the exemption, the local property taxes due for all the prior years subject to exemption and for the current year shall be payable as if no exemption had been granted. The Borough Council shall notify the property owner and the Tax Collector of such disqualification and the Tax Collector shall notify the property owner within fifteen (15) days of the date of disqualification of the amount of taxes due. In the event 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 shall continue and the agreement shall remain in effect.

8. No exemption or abatement shall be applicable under this subsection if the Property has been declared an Area in Need of Redevelopment pursuant to the Local Redevelopment and Housing Law (N.J.S.A. 40A:12A-1 et seq.)
9. If approved as provided herein, the exemption shall continue for a period of five (5) years commencing on January 1 of the tax year immediately following the date that the project received a final certificate of occupancy.

C. Payment in lieu of full property taxes.

- 1 All tax abatement Agreements must be authorized by a separate Ordinance for the Applicant.
- 2 The tax abatement agreement shall provide for the End User, upon issuance of a Certificate of Occupancy, to pay to the Borough in lieu of full property tax payment an amount annually to be computed by the following formula:

D. Tax Phase-in Basis

The Applicant or End User must pay to the Borough full taxes on the land component of the property and a separate payment on the improvements in an amount equal to a percentage of taxes otherwise due, according to the following schedule:

- 1 In the first full calendar year after completion, no payment in lieu of taxes otherwise due;
- 2 In the second full calendar year, an amount not less than 20% of taxes otherwise due;
- 3 In the third full calendar year, an amount not less than 40% of taxes otherwise due;
- 4 In the fourth full calendar year, an amount not less than 60% of taxes otherwise due; and
- 5 In the fifth full calendar year, an amount not less than 80% of taxes otherwise due.

- E. All tax agreements entered into by virtue of this Article shall be in effect for no more than five full tax years next following the issuance of a Certificate of Occupancy. Within 30 days of the execution of a tax abatement agreement with the Applicant, the Borough shall forward a copy of said agreement to the Director of the Division of Local Government Services in the Department of Community Affairs.

- F. No exemption or abatement shall be granted, or tax agreement entered into, with respect to any property for which property taxes are delinquent or remain unpaid, or for which penalties for nonpayment of taxes are due.
- G. The Deed to the Applicant or End User shall include a Deed Restriction identifying the five-year tax abatement provided to the End User, said form of Deed to be approved by the Borough with the Application for Tax Abatement filed by the Applicant.
- H. At termination of the five-year tax abatement provided to the applicant or End User, the property shall be subject to all applicable real estate taxes as provided by law.
- I. During the abatement period, the assessment on the property shall not be less than the assessment existing thereon prior to the completion of the improvements.
- J. Eligibility for additional construction or improvement.

An additional improvement or construction completed on a property granted a previous exemption or abatement during the period in which such previous exemption or abatement is in effect shall be qualified for an exemption and/or abatement just as if such property had not received a previous exemption or abatement. In such case, the additional improvements or construction shall be considered as separate for the purposes of calculating exceptions and abatements, except that the assessed value of any previous improvement or construction shall be added to the assessed valuation of the property from which an additional abatement is to be subtracted.

- K. Applicability of statutory and regulatory provisions.

Every application for exemption or abatement and every exemption and abatement granted shall be subject to all of the provisions of N.J.S.A. 40A:21-1 et seq. and all rules and regulations issued thereunder.

- L. Applicability of federal, state and local laws.

All tax abatement and exemption agreements shall provide that the applicant is subject to all federal, state and local laws and regulations.

- M. Equalization.

The percentage which the payment in lieu of taxes bears to the property taxes which would have been paid had an abatement not been granted for the property under the agreement shall be applied to the valuation of the property to determine the reduced valuation of the property to be included in the valuation of the municipality for determining equalization for county appointment and school aid during the term of the tax abatement agreement covering the property.

N. Application fee.

An application filing fee of \$2,500.00 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 Borough Tax Assessor, and any other Borough 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.

O. Escrow.

Every tax abatement agreement required by this Ordinance shall be subject to payment of an escrow in the amount of one thousand dollars (\$1,000.) to be paid by the applicant at the time the applicant submits an application. The required escrow shall be used to pay the cost of professional review by the Borough Solicitor, Engineer, and other professionals employed by the Borough to review and make recommendations regarding the tax abatement agreement.

At the time of submission of an application to the Borough, the applicant shall be required to execute an escrow agreement with the Borough to cover all necessary and reasonable costs incurred for the technical and professional review of the tax agreement. The amounts specified for escrow are estimates which shall be paid prior to the Borough's review of the tax abatement application. In the event an additional amount is required for more than the amount specified in the escrow agreement, the applicant shall pay all additional sums required prior to the Borough's execution of the tax abatement agreement.

SECTION 2. Except as set forth in Section 1 above, the balance of the Code of the Borough of Stratford shall not be affected by this Ordinance.

SECTION 3. All Ordinances contrary to the provisions of this Ordinance are hereby repealed to the extent that they are inconsistent herewith.

SECTION 4. If the provisions of any section, subsection, paragraph, subdivision, or clause of this Ordinance shall be judged invalid by a court of competent jurisdiction, such order of judgment shall not affect or invalidate the remainder of any section, subsection, paragraph, subdivision, or clause of this Ordinance.

SECTION 5. This Ordinance shall take effect immediately upon posting, publication, and final passage in the manner prescribed by law.

\_\_\_\_\_  
Mayor Josh Keenan

\_\_\_\_\_  
Date

ATTEST:

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Bill Bray, RMC  
Borough Clerk

PUBLIC NOTICE  
NOTICE OF PENDING ORDINANCE

The ordinance published herewith was introduced and passed upon first reading at the Regular Meeting of the Governing Body of the Borough of Stratford, in the County of Camden, State of New Jersey, held on the 10th day of January, 2023. It will be further considered for final passage after public hearing thereon, at the meeting of the Governing Body to be held via electronic video conference provided by ZOOM or in the Borough Hall, in the Borough of Stratford on the 14th day of February, 2023 at 6:30 PM. To attend the meeting visit, <https://us06web.zoom.us/j/6553784906> or enter Meeting ID: 655 378 4906 in the Zoom application.

Copies of the ordinance will be made available during the week prior to and up to and including the date of such meeting at the Clerk's Office in the Borough Hall to the members of the general public who shall request the same.

Bill Bray, RMC  
Borough Clerk